

CITY OF BENBROOK, TEXAS

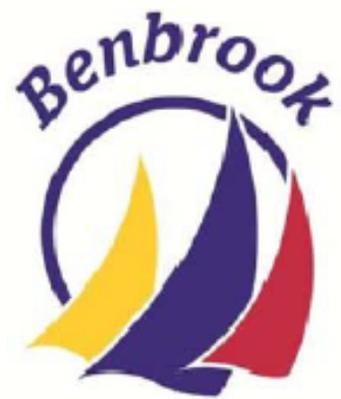


ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FOR FISCAL YEAR ENDING
SEPTEMBER 30, 2023**

911 WINSOTT ROAD
BENBROOK, TEXAS 76126
WWW.CI.BENBROOK.TX.US
(817) 249-3000



TEXAS

Our Pride. Your Joy.

*ANNUAL
COMPREHENSIVE FINANCIAL REPORT*

of the

City of Benbrook, Texas

**For the Year Ended
September 30, 2023**

Prepared by

Rick Overgaard
Director of
Finance

City of Benbrook, Texas

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September 30, 2023

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INTRODUCTORY SECTION





March 11, 2024

The Honorable Mayor,
Members of the City Council and Citizens of the City of Benbrook
City of Benbrook
Benbrook, Texas

The Finance Department is pleased to submit the Annual Comprehensive Financial Report for the City of Benbrook, Texas for the fiscal year ended September 30, 2023. This report provides the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City. We also believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

THE REPORT

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Statistical section, using tables, presents comparative economic and financial data to give the users of the report a perspective of the City's performance over several years.

The financial statements included in the report were prepared by the Finance Department in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The basic financial statements and related notes have been audited by an independent firm of Certified Public Accountants, BrooksWatson & Co., PLLC, whose report is included herein.

CITY PROFILE

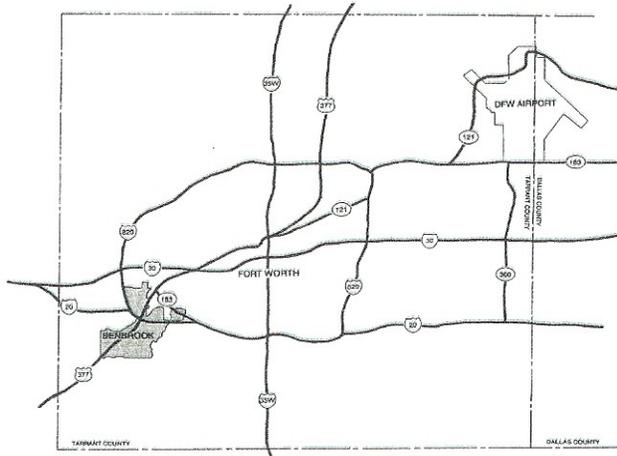
Location

The City of Benbrook is located in Tarrant County, in the north central portion of the State of Texas. The City of Benbrook is located on the southwest side of the City of Fort Worth and is only thirty minutes from Dallas. The City covers approximately thirteen square miles. The 2020 Census set the population at 24,520, and the current estimated population is 25,319.

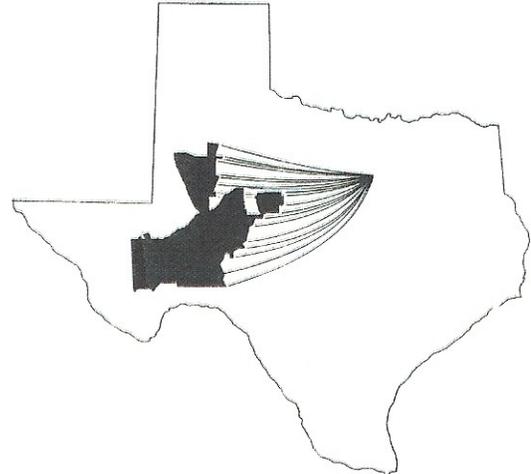
The City was incorporated in 1947 and is operated under a charter adopted in 1983. The City has a Council-Manager form of government with the City Council comprised of a mayor and six council members. All City Council positions are elected by place number and run at large for two-year staggered terms. The City Council is responsible for adopting ordinances and regulations governing the City; adopting the budget; determining policies; and appointing the City Manager, City Attorney,

City Secretary, Municipal Court Judge, as well as members of boards and commissions. The City Manager is responsible to the City Council and appoints and supervises the employees that prepare and administer the annual comprehensive financial report (ACFR), the annual budget, and the capital improvements program.

Benbrook's location in Tarrant County



Benbrook's location in the State



Services Provided

The City provides a full-range of municipal services including general government, community development, police and fire protection, street maintenance, building inspection, recreation services, parks operation and maintenance, and maintenance of City-owned buildings. The Benbrook Economic Development Corporation (EDC) is responsible for the promotion and retention of business within the City. Solid waste collection has been contracted out to a private firm.

This report includes the financial statements of the funds required to account for those activities, organizations, and functions which are related to the City and are controlled by or dependent upon the City's governing body. The criteria used by the City for including activities in preparing its financial statements are set forth by the Governmental Accounting Standards Board (GASB). Based on these criteria, all municipal services listed are included in the City's fiscal year 2022-23 financial statements.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis. Under this method of accounting, expenditures are recognized when the services or goods are received, and the liability is incurred.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for

assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City’s internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter provides that the City Council shall adopt the annual budget prepared by the City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and divisions within a fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

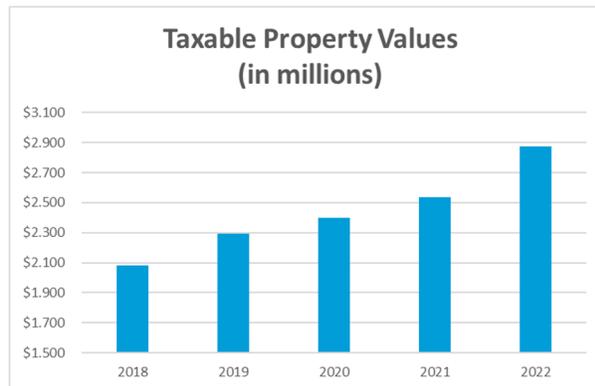
Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item. These reports are distributed monthly to City department and division managers. A financial summary is prepared for City Council to approve each month.

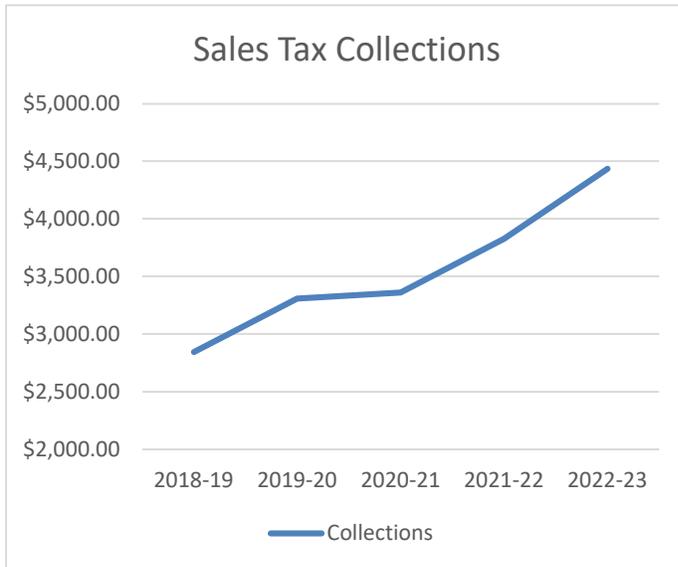
Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled by line item. Revenue budgets are reviewed monthly.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

Summary of Local Economy

The City of Benbrook is located in southwest Tarrant County, an area that has experienced a significant growth in population since 2000. The City’s tax base has grown an average of 8.7% annually over the past five years with annual increases ranging from 4.6% to 13.3%. We expect our growth rate to continue this trend over the next few years. Commercial growth has remained steady and residential construction has escalated in the last several years.





Overall sales tax collections in Benbrook have increased steadily over the past few years with the completion of the Benbrook Boulevard expansion project that was started in 2014. The last five fiscal years averaged an 13.2% increase. In the first 3 months of the new fiscal year 2023-24 we are experiencing a 24.9% growth rate over the prior year.

Economic Prospects for the Future

The enhancement of the primary corridor through Benbrook’s center has stimulated growth of commercial and residential development and has attracted more

upscale businesses and enterprises. Benbrook Boulevard expansion project is now complete; however, with the possibility of a recession and the COVID-19 pandemic, sales tax is projected to remain flat over the next year.

Several commercial projects have recently been completed such as Taco Bueno, Dairy Queen, and Chipotle restaurants, an Audi Dealership, Russell Feed & Supply, and Basis charter school. Other projects under construction include warehousing and various subdivisions.

There are opportunities in Benbrook for commercial expansion, business growth, and residential development in upcoming years. These prospects will have a positive impact on Benbrook’s tax base, sales tax collections, development fees, and other sources of revenue.

Long-Term Financial Planning

The City produces a Comprehensive Capital Improvements Plan (CIP). The CIP includes an emphasis on the repair and maintenance of existing facilities and infrastructure. Planned project funding comes from current resources. Projects located in the Tax Increment Financing (TIF) will be financed with the increase in value of property located within the TIF district. Storm drainage projects will be funded from the storm water utility fees. Other special projects will be taken on at the discretion of the City Council. These projects will be financed by the Core Value Account (CVA) which receives money related to City-owned mineral interest.

In 2019, as part of the City's updated 2020 Comprehensive Plan, a Citizen Committee recommended a new Municipal Complex to replace several municipal buildings, and to act as an anchor for a proposed downtown development. The existing municipal buildings are aging and have mechanical issues, electrical problems, ADA non-compliance and/or other challenges. In May 2021, voters approved the general obligation bond election to fund the design and construction of a new two-story, approximately 35,000 square-foot Benbrook Municipal Complex to house the Police Station, Senior Citizen's Center, Municipal Court, City Hall Offices, and a Visitor's Center. Construction began in 2022.

Cash Management

The City's cash management policy is adopted by City Council and strictly defines the types and amounts of investments made for the City. Section 5 of the Public Funds Investment Act prescribes that cities are to develop and maintain an investment policy to govern all investments. The City of Benbrook adopted a revised investment policy on October 4, 2018 to meet updates made to the Public Funds Investment Act. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Collateral is held by the City, its agent, or a financial institution's trust department in the City's name. One hundred percent of the deposits and investments held by the City during the year ending September 30, 2023, are classified in the category of the lowest credit risk as defined by the Governmental Accounting Standards Board. All deposits are held in interest-bearing accounts, Texpool and TexStar investment pools, certificates of deposit, and agency notes.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the financial statements of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the audit firm of BrooksWatson & Co., PLLC's report on the basic financial statements and required supplementary information is included in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Benbrook for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This year was the thirty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles as well as all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Benbrook has received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2022. This award marked the thirty-ninth time the City has received this award. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has my sincere appreciation for the contribution made in the preparation of this report.

In closing, without the leadership and support of the City Council and the City Manager, preparation of this report would not have been possible.

Respectfully submitted,

Rick Overgaard

Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Benbrook
Texas**

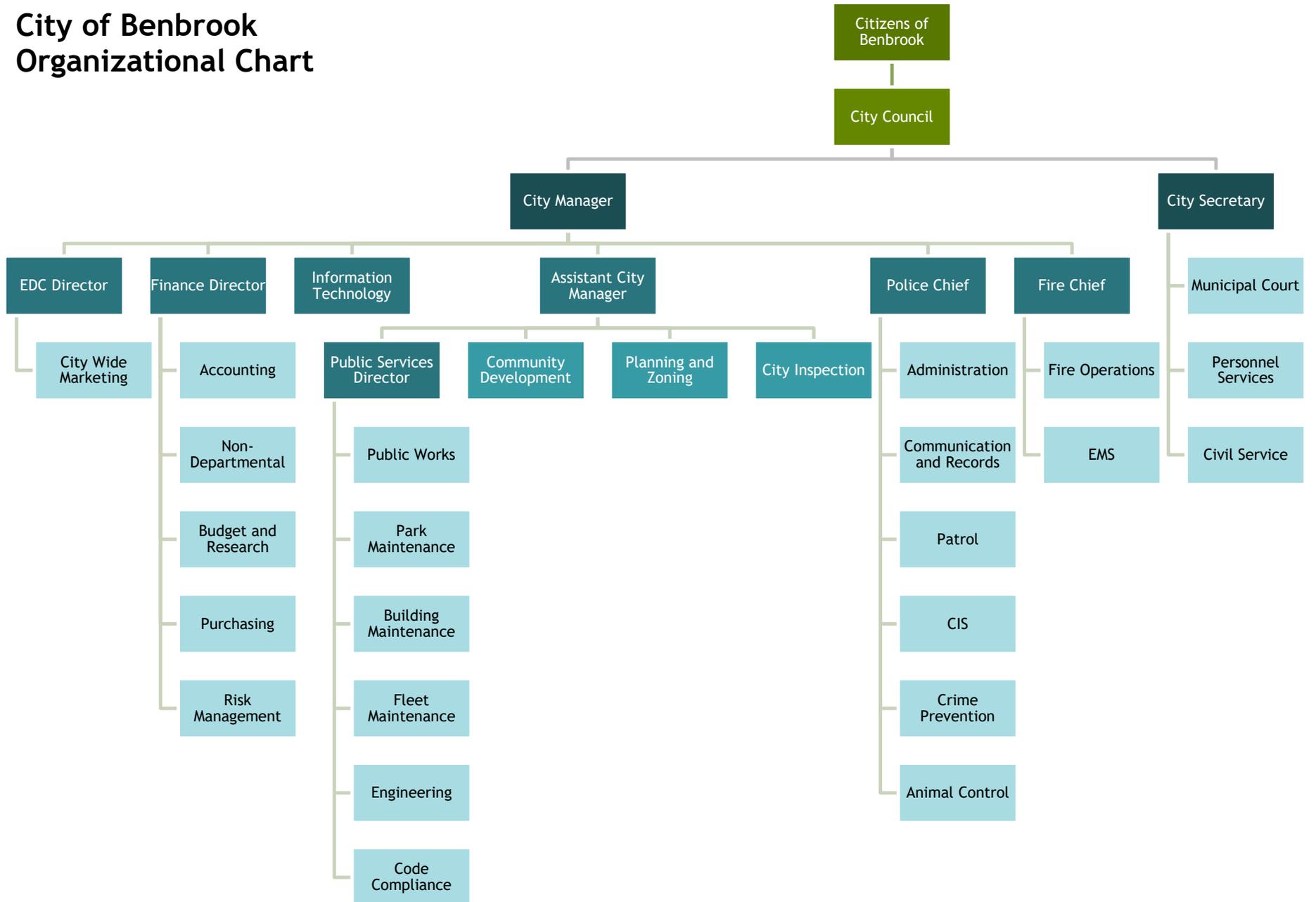
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

City of Benbrook Organizational Chart



City of Benbrook, Texas

Principal Officials

September 30, 2023

ELECTED OFFICIALS

Name of Individual	Position	Term Expires	Length of Service (in Years)
Jason Ward	Mayor Place 1	2023	2
Renee Franklin	Councilmember Place 2	2024	10
Dr. Larry Marshall	Mayor Pro Tem Place 3	2023	13
Dustin Phillips	Councilmember Place 4	2024	5
Gary Addison	Councilmember Place 5	2023	2
Laura Mackey	Councilmember Place 6	2024	5
Keith Tiner	Councilmember Place 7	2023	2

APPOINTED OFFICIALS

Andy Wayman	City Manager	27
Joanna King	City Secretary	48
Jim Hinderaker	Deputy City Manager	7
Rick Overgaard	Finance Director	5
Doug Howard	Planning Director	6
David Babcock	Police Chief	4
Tommy Davis	Fire Chief	29
Jessica James	EDC Director	3
Wes Cooper	Information Technology Director	3
Bennett C. Howell, III	Public Services Director	9
Heath Haseloff	City Engineer	6





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Benbrook, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Benbrook, Texas (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Benbrook, Texas, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Benbrook, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and

fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matters

As discussed in Note V.F. in the footnotes, the City restated beginning net position for governmental activities to adjust for an error in capital assets. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas

March 11, 2024

*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



City of Benbrook, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023

As management of the City of Benbrook, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2023 by \$77,948,452. Of this amount, \$16,010,390 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,059,068. The majority of the City's net position are invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$32,594,370 at September 30, 2023, a decrease of \$11,823,339 from the prior fiscal year; this includes an increase of \$4,671,897 in the general fund, a decrease of \$5,410 in the debt service fund, an increase of \$258,486 in the special assessment fund, a decrease of \$14,133,197 in the municipal complex fund, and a decrease of \$2,615,115 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$21,715,678 or 94% of total general fund expenditures.
- The City's total debt showed a net decrease (including premiums) of \$364,274. The total governmental bonds payable at the close of the fiscal year was \$21,715,000.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

City of Benbrook, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2023

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer and sanitation operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate the Benbrook Economic Development Corporation and the Tax Increment Financing ("TIF") Reinvestment Zone #1, for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

City of Benbrook, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2023

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, special assessment fund, and the municipal complex fund, which are considered to be major funds. The City's other special revenue/capital projects funds are considered nonmajor for reporting purposes.

The City adopts an annual appropriated budget for its general and debt service funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses one enterprise fund to account for its sanitation operations. All activities associated with providing such services are accounted for in these funds, including personnel, administration, operation, repairs/maintenance, capital improvements, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitation fund, as its considered a major fund of the City.

Component Unit

The City maintains the accounting and financial statements for two component units. The Benbrook Economic Development Corporation and the Tax Increment Financing ("TIF") Reinvestment Zone #1 are reported as discretely presented component units on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

City of Benbrook, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System, and OPEB schedules. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Benbrook, assets and deferred outflows exceed liabilities and deferred inflows by \$77,948,452 as of September 30, 2023 in the primary government.

The largest portion of the City's net position, \$59,559,177, reflects its investments in capital assets (e.g., land, buildings, infrastructure, vehicles, machinery and equipment, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Total current and other assets for governmental activities decreased by \$9,573,145 or 21% primarily due to less cash on hand in the current year, resulting from available cash spent on the construction for the Municipal Complex. Total capital assets for governmental activities increased by \$14,448,591 or 23% due to construction on the Municipal Complex in the current year.

Total current and other assets for business-type increased by \$116,411 or over 100% primarily due to an greater Stormwater and Sanitation receivables in the current year, resulting from City growth.

Total deferred outflows for governmental activities increased by \$4,120,243 or over 100%. Total deferred inflows for governmental activities decreased by \$3,832,000 or over 100%. Both changes are strictly due to actuarial changes in the City's pension inputs over the course of the year.

Total liabilities for the primary government increased by \$10,827,203 or 35% primarily due to a greater net pension liability recognized in the current year. In addition, third party payables increased due to nonrecurring payables for capital improvements at the end of the current year.

City of Benbrook, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2023			2022		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and						
other assets	\$ 36,999,710	\$ 160,471	\$ 37,160,181	\$ 46,572,855	\$ 44,060	\$ 46,616,915
Capital assets, net	76,919,588	-	76,919,588	62,470,997	-	62,470,997
Total Assets	113,919,298	160,471	114,079,769	109,043,852	44,060	109,087,912
Total Deferred						
Outflows	6,492,320	-	6,492,320	2,372,077	-	2,372,077
Other liabilities	6,709,483	118,790	6,828,273	3,781,877	60,961	3,842,838
Long-term liabilities	35,433,426	-	35,433,426	27,533,829	-	27,533,829
Total Liabilities	42,142,909	118,790	42,261,699	31,315,706	60,961	31,376,667
Total Deferred						
Inflows	361,938	-	361,938	4,193,938	-	4,193,938
Net Position:						
Net investment						
in capital assets	59,559,177	-	59,559,177	58,727,273	-	58,727,273
Restricted	2,378,885	-	2,378,885	6,127,230	-	6,127,230
Unrestricted	15,968,709	41,681	16,010,390	11,051,782	(16,901)	11,034,881
Total Net Position	\$ 77,906,771	\$ 41,681	\$ 77,948,452	\$ 75,906,285	\$ (16,901)	\$ 75,889,384

City of Benbrook, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

Statement of Activities:

The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2023			For the Year Ended September 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,200,393	\$ 1,715,195	\$ 4,915,588	\$ 3,989,512	\$ 1,451,275	\$ 5,440,787
Operating grants	-	-	-	3,240,927	-	3,240,927
Capital grants	1,543,757	-	1,543,757	2,844,902	-	2,844,902
General revenues:						
Property taxes	16,129,043	-	16,129,043	14,731,226	-	14,731,226
Sales taxes	4,690,258	-	4,690,258	3,907,011	-	3,907,011
Hotel occupancy taxes	195,808	-	195,808	163,397	-	163,397
Franchise and local taxes	1,314,209	-	1,314,209	1,260,483	-	1,260,483
Intergovernmental	-	-	-	297,587	-	297,587
Investment income	1,407,649	-	1,407,649	94,238	-	94,238
Other revenues	713,154	-	713,154	800,607	-	800,607
Total Revenues	29,194,271	1,715,195	30,909,466	31,329,890	1,451,275	32,781,165
Expenses						
General government	1,508,440	-	1,508,440	1,027,575	-	1,027,575
Staff services	1,302,379	-	1,302,379	1,094,150	-	1,094,150
Public safety	13,269,395	-	13,269,395	10,719,623	-	10,719,623
Public services	8,290,674	-	8,290,674	6,031,046	-	6,031,046
Community develop.	1,037,279	-	1,037,279	1,039,334	-	1,039,334
Payments to discrete component units	1,498,241	-	1,498,241	1,269,306	-	1,269,306
Interest and fiscal chgs.	543,455	-	543,455	567,982	-	567,982
Sanitation	-	1,400,535	1,400,535	-	1,214,285	1,214,285
Total Expenses	27,449,863	1,400,535	28,850,398	21,749,016	1,214,285	22,963,301
Change in Net Position						
Before Transfers	1,744,408	314,660	2,059,068	9,580,874	236,990	9,817,864
Transfers	256,078	(256,078)	-	258,064	(258,064)	-
Total	256,078	(256,078)	-	258,064	(258,064)	-
Change in Net Position	2,000,486	58,582	2,059,068	9,838,938	(21,074)	9,817,864
Beginning Net Position	75,906,285	(16,901)	75,889,384	66,067,347	4,173	66,071,520
Ending Net Position	\$ 77,906,771	\$ 41,681	\$ 77,948,452	\$ 75,906,285	\$ (16,901)	\$ 75,889,384

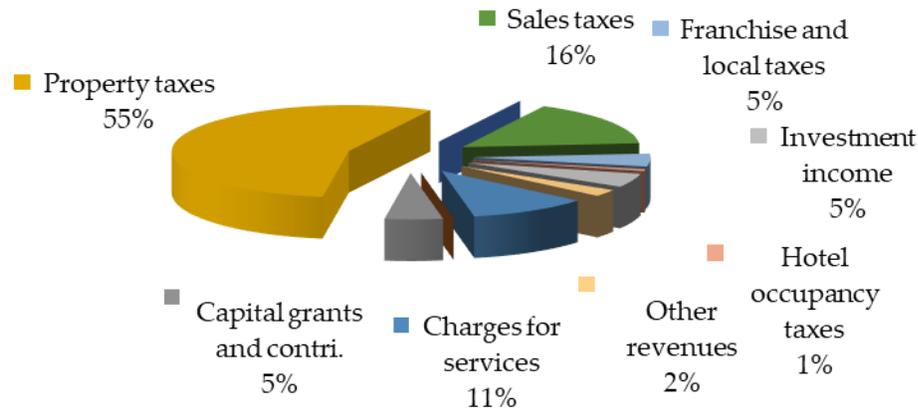
City of Benbrook, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2023

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues

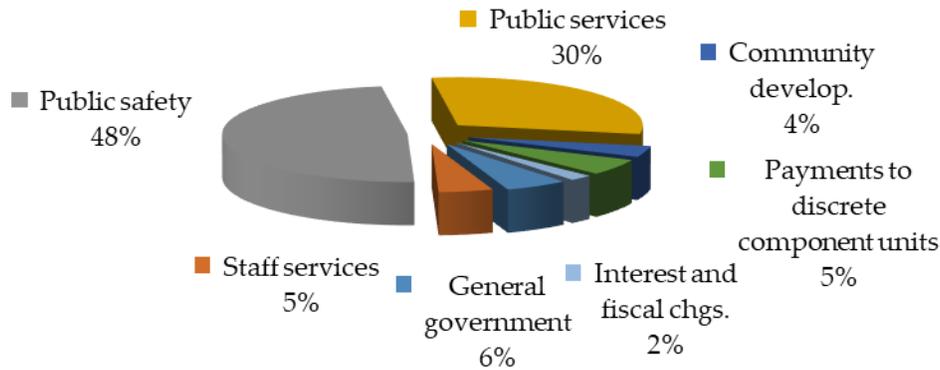


For the year ended September 30, 2023, revenues from governmental activities totaled \$29,194,271. Property taxes, sales taxes, and charges for services are the City's largest general revenue sources. Overall revenue decreased \$2,135,619 or 7% compared to the prior year. Grants and contributions decreased by \$4,542,072 or 75% primarily due to nonrecurring capital and operating grants received in the prior year. Charges for services decreased by \$789,119 or 20%, primarily due to nonrecurring permits for new construction during the prior year. Property taxes increased by \$1,397,817 or 9% due to greater appraised values compared to the prior year. Sales taxes increased by \$783,247 or 20% primarily due to economic growth fueled by local purchases. Hotel occupancy taxes increased by \$32,411 or 20% primarily due to greater bed tax collections in the current year. Intergovernmental revenues decreased by \$297,587 or 100% due to nonrecurring funds received from the TIF in the prior year. Investment income increased by \$1,313,411 or over 100% primarily due to a rise in interest rates and greater interest-bearing account balances in the current year. Other revenue decreased by \$87,453 or 11% primarily due to nonrecurring contract breach damages, greater fire service revenues and oil and gas lease revenue earned in the prior year. All other revenues remained relatively stable compared with the prior year.

City of Benbrook, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

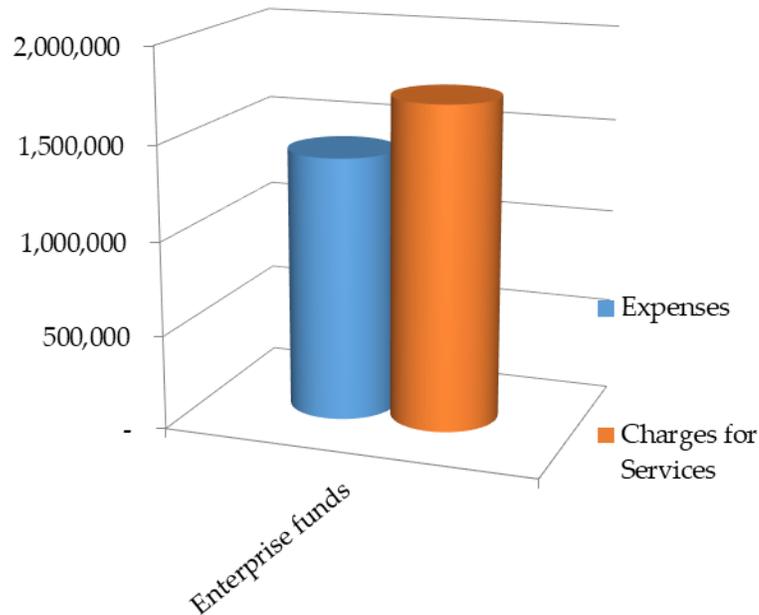


For the year ended September 30, 2023, expenses for governmental activities totaled \$27,449,863. This represents an increase of \$5,404,486 or 25% from the prior year. The City's largest functional expense is public safety of \$13,269,395, which increased by \$2,549,772 or 24% primarily due to greater EMS wages in the current year and an increase in retirement costs, resulting from an increase in net pension liability. Staff services increased by \$208,229 or 19% primarily due to nonrecurring pension expense realized in the current year. Public services increased by \$2,259,628 or 37% primarily due to salaries, utility costs, and nonrecurring street maintenance in the current year. In addition, the City incurred nonrecurring street maintenance costs in the current year. Annual payments to discrete component units increased by \$228,935 or 18% and is consistent with greater property tax revenues and appraised values over the course of the year. In addition, the primary government made a transfer for \$53,537 to the EDC during the year. General government expenses increased by \$184,504 or 14% primarily due to greater personnel costs as a result from an increase in salaries. All other expenses remained relatively consistent with the previous year.

City of Benbrook, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2023, charges for services by business-type activities totaled \$1,715,195. This is an increase of \$263,920 or 18% from the previous year. The increase was due to greater sanitation revenues, resulting from population growth and increased demand in the current year.

Total expenses increased \$186,250 or 15%, to a total of \$1,400,535. This variance was due to greater sanitation service expenses, as a result of increased consumption and demand in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

City of Benbrook, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

At September 30, 2023, the City's governmental funds reported combined fund balances of \$32,594,370, a decrease of \$11,823,339 in comparison with the prior year. Approximately 67% of the fund balance, \$21,715,678, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, committed, or restricted* to indicate that it is 1) not in spendable form, \$725, 2) committed for capital projects, \$527,575 3) restricted for particular purposes, \$10,350,392.

As of the end of the year the general fund reflected a total fund balance of \$21,716,403. Of this, \$725 is considered nonspendable and \$21,715,678 is unassigned. The general fund balance increased by \$4,671,897 compared to the budgeted increase of \$1,670,805. The fund's increase was primarily due to greater than anticipated revenues and less than anticipated expenditures in the current year.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of general fund is 94% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$21,715,678 is 94% of total general fund expenditures.

The debt service fund had an ending fund balance of \$421,605 at September 30, 2023, a decrease of \$5,410. The decrease was due to greater than expected expenditures and less than anticipated revenues in the current year.

The special assessment fund had an ending fund balance of \$1,202,238, an increase of \$258,486. The increase is due to revenues and transfers from other funds exceeding current year capital outlay expenditures.

The municipal complex fund had an ending fund balance of \$6,400,548, a decrease of \$14,133,197. The decrease is a direct result of an increase in capital outlay expenditures in the current year.

Nonmajor governmental funds had a total ending fund balance of \$2,853,576, a decrease of \$2,615,115.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a positive variance of \$1,280,137 for budgeted general fund revenues. The positive variance was primarily due to sales taxes and investment income revenues exceeding the budgeted amount. There was a positive variance of \$1,623,131 for budgeted general fund expenditures. This positive variance was primarily a result of public services and public safety expenses being less than the budget by a combined \$1,603,779. Other financing sources and uses had a positive budget variance of \$97,824. Expenditures did not exceed appropriations at the legal level of control.

City of Benbrook, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$76,919,588 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and drainage/bridge infrastructure. Major capital asset events during the current year include the following:

- Purchased four Ford Interceptors for \$171,716.
- Purchased add on equipment for police vehicles totaling \$46,853.
- Purchased equipment for the fire department totaling \$49,184.
- Purchased a dump truck for \$125,258.
- Made improvements to Westerly and Dawn drainage system for \$21,690.
- Improvements to Southside/Dawn Plantation West drainage system for \$523,318.
- Began construction on Mercedes Bridge for \$1,226,869.
- Began the expansive full remodel of the Municipal Complex totaling \$14,687,600. This includes the demolition of the existing senior center, police station and existing City Hall and combining them into one new building.
- Repairs to Bellaire Sidewalk for \$79,404.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt obligations of \$21,715,000 (excluding premiums). During the year, the City made \$305,000 of principal payments. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions. More detailed information about the City's long-term liabilities is presented in note IV. D and E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the fiscal year 2023-24 operating budget, General Fund revenues are budgeted to increase by \$661,728 from the 2022-23 budget year. Assessed valuations grew by 13.9% leading to a projected increase in revenue from property taxes and a decrease in the property tax rate. Sales tax revenue is projected to remain the same as the prior year due to the uncertainty of the economy. Additionally, there are no new capital purchases or programs in the fiscal year 2023-24 operating budget due to these uncertainties. Essentially, the operating budget is flat from the prior year.

In September 2021 the City issued \$22 million in General Obligation bonds for the construction of a new Municipal Complex that will house City Hall Administration, Police Department, and Senior

City of Benbrook, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2023

Center. This project is budgeted in the City's Capital Improvement Projects budget and is currently under construction. The Municipal Complex is scheduled for completion in April 2024.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City's Finance Director at P. O. Box 26569, Benbrook, Texas 76126, or call (817) 249-3000.

FINANCIAL STATEMENTS

City of Benbrook, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 30,765,074	\$ 18,541	\$ 30,783,615
Investments	4,227,806	-	4,227,806
Receivables, net	1,969,646	141,930	2,111,576
Prepays	725	-	725
Due from component unit	36,459	-	36,459
Total Current Assets	36,999,710	160,471	37,160,181
Capital assets:			
Non-depreciable	32,765,848	-	32,765,848
Net depreciable capital assets	44,153,740	-	44,153,740
Noncurrent Assets	76,919,588	-	76,919,588
Total Assets	113,919,298	160,471	114,079,769
<u>Deferred Outflows of Resources</u>			
Pension outflows	6,330,986	-	6,330,986
OPEB outflows - TMRS	11,519	-	11,519
OPEB outflows - Healthcare	138,150	-	138,150
Deferred charge on refunding	11,665	-	11,665
Total Deferred Outflows of Resources	\$ 6,492,320	\$ -	\$ 6,492,320

Component Units

EDC		TIF	
\$	3,811,871	\$	5,081,469
	3,947,442		-
	444,644		3,461
	-		-
	-		-
	<u>8,203,957</u>		<u>5,084,930</u>
	-		-
	-		-
	<u>-</u>		<u>-</u>
	<u>8,203,957</u>		<u>5,084,930</u>
	-		-
	-		-
	-		-
	-		-
\$	<u>-</u>	\$	<u>-</u>

City of Benbrook, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 3,733,127	\$ 118,790	\$ 3,851,917
Due to primary government	-	-	-
Accrued interest payable	96,941	-	96,941
Customer deposits	341,959	-	341,959
Compensated absences, current	1,587,456	-	1,587,456
Long term debt due within one year	950,000	-	950,000
Total Current Liabilities	6,709,483	118,790	6,828,273
Noncurrent liabilities:			
Compensated absences, noncurrent	176,384	-	176,384
Long-term debt due in more than one year	22,128,304	-	22,128,304
OPEB liability - TMRS	359,312	-	359,312
OPEB liability - Healthcare	2,377,999	-	2,377,999
Net pension liability	10,391,427	-	10,391,427
Noncurrent Liabilities	35,433,426	-	35,433,426
Total Liabilities	42,142,909	118,790	42,261,699
<u>Deferred Inflows of Resources</u>			
OPEB inflows - Healthcare	269,725	-	269,725
OPEB inflows - TMRS	92,213	-	92,213
Total Deferred Inflows of Resources	361,938	-	361,938
<u>Net Position</u>			
Net investment in capital assets	59,559,177	-	59,559,177
Restricted for:			
Debt service	421,605	-	421,605
Capital improvements	1,150,707	-	1,150,707
City promotions	428,990	-	428,990
CARES Act grant activities	150,585	-	150,585
Public safety	226,998	-	226,998
Economic development	-	-	-
Capital improvements - TIF	-	-	-
Unrestricted	15,968,709	41,681	16,010,390
Total Net Position	\$ 77,906,771	\$ 41,681	\$ 77,948,452

See Notes to Financial Statements.

Component Units

	EDC		TIF
\$	3,298	\$	-
	36,459		-
	-		-
	-		-
	-		-
	-		-
	39,757		-
	-		-
	-		-
	-		-
	-		-
	-		-
	39,757		-
	-		-
	-		-
	-		-
	-		-
	8,164,200		-
	-		5,084,930
	-		-
\$	8,164,200	\$	5,084,930

City of Benbrook, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 1,508,440	\$ -	\$ -
Staff services	1,302,379	-	-
Public safety	13,269,395	1,647,457	-
Public services	8,290,674	1,070,144	1,543,757
Community development	1,037,279	482,792	-
Payments to discrete component units	1,498,241	-	-
Interest and fiscal charges	543,455	-	-
Total Governmental Activities	27,449,863	3,200,393	1,543,757
Business-Type Activities			
Sanitation	1,400,535	1,715,195	-
Total Business-Type Activities	1,400,535	1,715,195	-
Total Primary Government	\$ 28,850,398	\$ 4,915,588	\$ 1,543,757
Component Units			
Economic			
Development Corporation	\$ 824,497	\$ -	\$ -
Tax Increment Finance (TIF)	1,543,757	-	-
Total Component Units	\$ 2,368,254	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
- Hotel occupancy taxes
- Investment income
- Other revenues
- Intergovernmental

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	EDC	TIF
\$ (1,508,440)	\$ -	\$ (1,508,440)	\$ -	\$ -
(1,302,379)	-	(1,302,379)	-	-
(11,621,938)	-	(11,621,938)	-	-
(5,676,773)	-	(5,676,773)	-	-
(554,487)	-	(554,487)	-	-
(1,498,241)	-	(1,498,241)	-	-
(543,455)	-	(543,455)	-	-
<u>(22,705,713)</u>	<u>-</u>	<u>(22,705,713)</u>	<u>-</u>	<u>-</u>
-	314,660	314,660	-	-
-	314,660	314,660	-	-
<u>(22,705,713)</u>	<u>314,660</u>	<u>(22,391,053)</u>	<u>-</u>	<u>-</u>
			(824,497)	-
			-	(1,543,757)
			<u>(824,497)</u>	<u>(1,543,757)</u>
16,129,043	-	16,129,043	-	-
4,690,258	-	4,690,258	2,338,636	-
1,314,209	-	1,314,209	-	-
195,808	-	195,808	-	-
1,407,649	-	1,407,649	-	80,974
713,154	-	713,154	185,568	1,329,517
-	-	-	53,537	1,444,704
256,078	(256,078)	-	-	-
<u>24,706,199</u>	<u>(256,078)</u>	<u>24,450,121</u>	<u>2,577,741</u>	<u>2,855,195</u>
2,000,486	58,582	2,059,068	1,753,244	1,311,438
75,906,285	(16,901)	75,889,384	6,410,956	3,773,492
<u>\$ 77,906,771</u>	<u>\$ 41,681</u>	<u>\$ 77,948,452</u>	<u>\$ 8,164,200</u>	<u>\$ 5,084,930</u>

City of Benbrook, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2023

	General	Debt Service	Special Revenue	
			Special Assessment	Municipal Complex
<u>Assets</u>				
Cash and cash equivalents	\$ 16,942,243	\$ 417,339	\$ 1,985,363	\$ 8,652,232
Investments	4,227,806	-	-	-
Taxes receivable, net	1,236,666	20,775	-	-
Accounts receivable, net	579,849	-	-	-
Due from other funds	9,033	-	-	-
Due from component unit	36,459	-	-	-
Prepays	725	-	-	-
Total Assets	\$ 23,032,781	\$ 438,114	\$ 1,985,363	\$ 8,652,232
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,002,633	\$ -	\$ 441,166	\$ 2,251,684
Due to other funds	-	-	-	-
Customer deposits	-	-	341,959	-
Total Liabilities	1,002,633	-	783,125	2,251,684
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - Property taxes	313,745	16,509	-	-
Total Deferred Inflows	313,745	16,509	-	-
<u>Fund Balances</u>				
Nonspendable for:				
Prepays	\$ 725	\$ -	\$ -	\$ -
Restricted for:				
Debt service	-	421,605	-	-
Capital improvements	-	-	1,202,238	6,400,548
CARES Act grant activities	-	-	-	-
City promotions	-	-	-	-
Public safety	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
Unassigned	21,715,678	-	-	-
Total Fund Balances	21,716,403	421,605	1,202,238	6,400,548
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 23,032,781	\$ 438,114	\$ 1,985,363	\$ 8,652,232

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,767,897	\$ 30,765,074
-	4,227,806
132,356	1,389,797
-	579,849
-	9,033
-	36,459
-	725
\$ 2,900,253	\$ 37,008,743

\$ 37,644	\$ 3,733,127
9,033	9,033
-	341,959
46,677	4,084,119

-	330,254
-	330,254

\$ -	\$ 725
-	421,605
1,519,428	9,122,214
150,585	150,585
428,990	428,990
226,998	226,998
527,575	527,575
-	21,715,678
2,853,576	32,594,370
\$ 2,900,253	\$ 37,008,743



City of Benbrook, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2023

Fund Balances - Total Governmental Funds		\$ 32,594,370
 Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		32,765,848
Capital assets - net depreciable		44,153,740
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		330,254
 Deferred outflows (inflows) of resources represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflows) of resources (expense/expenditure)/(revenue) until then.		
Deferred charge on refunding		11,665
Pension outflows		6,330,986
OPEB outflows - Healthcare		138,150
OPEB inflows - Healthcare		(269,725)
OPEB outflows - TMRS		11,519
OPEB inflows - TMRS		(92,213)
 Some liabilities, including bonds payable, premiums, other long-term liabilities and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(96,941)
Bond premium		(1,363,304)
Compensated absences		(1,763,840)
Non-current liabilities due in one year		(950,000)
Non-current liabilities due in more than one year		(20,765,000)
Net pension liability - TMRS		(10,391,427)
OPEB liability - TMRS		(359,312)
OPEB liability - Healthcare		(2,377,999)
Net Position of Governmental Activities	\$	77,906,771

See Notes to Financial Statements.

City of Benbrook, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS (Page 1 of 2) For the Year Ended September 30, 2023

			Special Revenue	
	General	Debt Service	Special Assessment	Municipal Complex
Revenues				
Property tax	\$ 15,497,160	\$ 571,065	\$ -	\$ -
Sales tax	4,690,258	-	-	-
Franchise and local taxes	1,291,484	-	-	-
Hotel occupancy taxes	-	-	-	-
Charges for services	1,106,471	-	112,657	-
License, permits and fees	482,792	-	-	-
Fines and forfeitures	449,447	-	-	-
Investment income	652,085	569	32,947	680,725
Other revenue	676,355	-	-	-
Total Revenues	24,846,052	571,634	145,604	680,725
Expenditures				
Current:				
General government	1,437,831	3,500	11,860	-
Staff services	1,253,391	-	-	-
Community development	850,259	-	-	-
Public safety	11,872,562	-	-	-
Public works	6,306,428	-	-	-
Payments to discrete component units	1,498,241	-	-	-
Debt service:				
Principal	-	305,000	-	-
Interest and fiscal charges	-	600,029	-	-
Capital outlay	-	-	125,258	14,813,922
Total Expenditures	23,218,712	908,529	137,118	14,813,922

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 16,068,225
-	4,690,258
22,725	1,314,209
195,808	195,808
1,070,144	2,289,272
-	482,792
3,632	453,079
41,323	1,407,649
39,169	715,524
<u>1,372,801</u>	<u>27,616,816</u>

-	1,453,191
-	1,253,391
176,721	1,026,980
41,092	11,913,654
-	6,306,428
-	1,498,241
-	305,000
-	600,029
721,716	15,660,896
<u>939,529</u>	<u>40,017,810</u>

City of Benbrook, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended September 30, 2023

			Special Revenue	
	General	Debt Service	Special Assessment	Municipal Complex
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,627,340	\$ (336,895)	\$ 8,486	\$ (14,133,197)
<u>Other Financing Sources (Uses)</u>				
Sale of capital assets	321,577	-	-	-
Transfers in	3,022,980	331,485	250,000	-
Transfers (out)	(300,000)	-	-	-
Total Other Financing Sources (Uses)	3,044,557	331,485	250,000	-
Net Change in Fund Balances	4,671,897	(5,410)	258,486	(14,133,197)
Beginning fund balances	17,044,506	427,015	943,752	20,533,745
Ending Fund Balances	\$ 21,716,403	\$ 421,605	\$ 1,202,238	\$ 6,400,548

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 433,272	\$ (12,400,994)
-	321,577
110,626	3,715,091
(3,159,013)	(3,459,013)
<u>(3,048,387)</u>	<u>577,655</u>
(2,615,115)	(11,823,339)
5,468,691	44,417,709
<u>\$ 2,853,576</u>	<u>\$ 32,594,370</u>



City of Benbrook, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (11,823,339)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	15,713,064
Depreciation expense	(2,484,283)
Capital contributions	1,543,757
Adjustment for disposal of capital assets	(323,947)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	36,068
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(78,532)
Accrued interest	2,199
Pension expense - TMRS	(774,360)
OPEB expense - TMRS	(495,674)
OPEB expense - Healthcare	326,158

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of debt premium	59,274
Amortization of deferred charge on refunding	(4,899)
Principal payments on long-term debt	305,000

Change in Net Position of Governmental Activities	\$ 2,000,486
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See Notes to Financial Statements.

City of Benbrook, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2023

<u>Assets</u>	<u>Sanitation</u>
<u>Current Assets</u>	
Cash and cash equivalents	\$ 18,541
Receivables, net	141,930
Total Assets	<u>160,471</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	118,790
Total Liabilities	<u>118,790</u>
<u>Net Position</u>	
Unrestricted	41,681
Total Net Position	<u>\$ 41,681</u>

See Notes to Financial Statements.

City of Benbrook, Texas
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended September 30, 2023

		<u>Sanitation</u>
<u>Operating Revenues</u>		
Sanitation revenue		\$ 1,715,195
	Total Operating Revenues	<u>1,715,195</u>
<u>Operating Expenses</u>		
Contractual services		1,400,535
	Total Operating Expenses	<u>1,400,535</u>
	Operating Income	<u>314,660</u>
	Income Before Transfers	314,660
Transfers (out)		(256,078)
	Change in Net Position	<u>58,582</u>
Beginning net position		(16,901)
	Ending Net Position	<u><u>\$ 41,681</u></u>

See Notes to Financial Statements.

City of Benbrook, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended September 30, 2023

	<u>Sanitation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 1,636,913
Payments to suppliers and employees	(1,368,818)
Net Cash Provided (Used) by Operating Activities	<u>268,095</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers (out)	(256,078)
Net Cash (Used for) Noncapital Financing Activities	<u>(256,078)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	12,017
Beginning cash and cash equivalents	<u>6,524</u>
Ending Cash and Cash Equivalents	<u><u>\$ 18,541</u></u>

Reconciliation of Operating Income (Loss)

to Net Cash Provided (Used) by Operating Activities

Operating Income	\$ 314,660
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(78,282)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	57,829
Due to other funds	(26,112)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 268,095</u></u>

See Notes to Financial Statements.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of Benbrook (the "City") was incorporated in 1947. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: general government, police and fire protection, street maintenance, building inspection services, recreation, parks operation and maintenance, and operation and maintenance of City-owned buildings.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Benbrook Economic Development Corporation (the "EDC") and the Tax Increment Financing ("TIF") Reinvestment Zone #1 (the "TIF") are legally separate and presented as discretely presented component units. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Units

Benbrook Economic Development Corporation

The Benbrook Economic Development Corporation (EDC) was created for the purpose of promoting economic development within the City. The Board of Directors is appointed by the City Council. The EDC is authorized to sell bonds or other forms of indebtedness. The EDC provides services to the City and its residents. The Economic Development Corporation is covered under the provisions of the State of Texas, Development Corporation Act of 1979. Under the Act members of the board serve at the pleasure of the governing body and must conduct meetings within the City's boundaries. These provisions meet the criteria for inclusion established by GASB 61. Complete financial statements for the individual component unit may be obtained from the City's Finance Department. The District has a separate board from City council and does not provide services exclusively to the City. Due to these factors the component unit did not meet the criteria for blending and was presented discretely with respect to the City.

Tax Increment Financing Reinvestment Zone #1

The Tax Increment Financing ("TIF") Reinvestment Zone #1 was established by Ordinance No. 1137 in November 2002 for financing and constructing projects within Reinvestment Zone #1. The TIF is legally separate and presented as a discretely presented component unit as none of the criteria for blending are applicable. The District has a separate board from City council and does not provide services exclusively to the City. Due to these factors the component unit did not meet the criteria for blending and was presented discretely with respect to the City.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, hotel occupancy taxes, grants and donations, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, staff services, public safety, public works, and community development.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes.

Special Assessment Fund

The Special Assessment fund is used to account for proceeds from special assessments of the City. The funds are restricted for future major projects of the City and capital asset purchases.

Municipal Complex Fund

The municipal complex fund is used to account for bond funds to be used to construct the municipal complex.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The government reports the following major enterprise fund:

Sanitation Fund

This fund is used to account for the provision of sanitation services to the residents of the City. The City contracts sanitation services to a third party service provider.

Additionally, the City reports for the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund.

Capital Project Funds

The City accounts for resources restricted for future major construction projects.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

F. Budgetary Information

1. Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general and debt service funds. In the current year, annual budgets were not adopted for the special revenue or capital project funds.

Forty-five (45) days prior to the end of the fiscal year the City Manager submits the proposed annual budget and explanatory budget message to the City Council. The budget must be adopted by the twenty-seventh (27th) day of September or the budget, as submitted by the City Manager, will be deemed to have been adopted. The City Charter requires that the budget set out the proposed expenditures by function. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

G. Assets, Liabilities, and Fund Equity or Net Position

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools

1. Fair Value Measurement

The City has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

2. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts. Uncollectible personal property taxes are periodically reviewed and written off when deemed uncollectible; however, state statutes prohibit writing off real property taxes without specific authority from the Texas Legislature. The property tax receivable allowance is equal to 41.5% of outstanding property taxes as of September 30, 2023.

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). Inventories of supplies to be used internally are valued at cost using the first-in/first-out method. Inventories to be resold are valued at the lower of cost or market, and removed using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Buildings and improvements	30 years
Infrastructure	10-50 years
Machinery and equipment	5-20 years

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable*

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, grants, and hotel taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

6. Net Position Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

City of Benbrook, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2023

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to the contributions made to TMRS, the City provides certain other post-employment benefits to its retirees and dependents. The retiree health care plan covers both active and retiree benefits with no segregation of assets, therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the plan is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the plan is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The retired employees can participate in the City's health care plan by paying the full amount of the premiums. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

3. Compensated Absences

City policy allows civil service employees to accumulate 120 hours of sick leave per year and accrue it on an unlimited basis. Civil service employees with one full year of employment are entitled to be paid up to 90 days for unused sick leave upon termination. Non-civil service employees may accrue up to 480 hours of unused sick leave. Non-civil service employees may be paid up to 20 days for unused sick time based on years of service and certain other criteria. Employees with less than 5 years of service earn 10 vacation days whereas employees with more than 5 years of service earn 15 vacations days per year. Non-civil service employees may accumulate two times the current number of vacation days earned per year, up to a maximum of 30 days. All earned vacation leave not taken within one year of its accumulation will be forfeited by civil service employees.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sanitation fund are charges to customers for sales and services. The sanitation fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general and debt service funds.

Forty-five (45) days prior to the end of the fiscal year the City Manager submits the proposed annual budget and explanatory budget message to the City Council. The budget must be adopted by the twenty-seventh (27th) day of September or the budget, as submitted by the

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

City Manager, will be deemed to have been adopted. The City Charter requires that the budget set out the proposed expenditures by function. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

A. Expenditures Exceeding Appropriations

During the year ended September 30, 2023, debt service fund expenditures exceeded appropriations at the legal level of control by \$300.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.G.1., the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. As of September 30, 2023, the City's only investments were external investment pools and certificates of deposits with maturities greater than three months.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The City had the following investments at year end:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposits	\$ 4,227,806	0.97
External investment pools	23,826,988	0.08
Total	\$ 28,054,794	
Portfolio weighted average maturity		0.21

The Benbrook EDC had the following investments at year end:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposits	\$ 3,947,442	0.55
Total	\$ 3,947,442	
Portfolio weighted average maturity		0.55

The Benbrook TIF had the following investments at year end:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 1,918,068	0.08
Total	\$ 1,918,068	
Portfolio weighted average maturity		0.08

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in market values by limiting the weighted average of maturity not to exceed three years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits the type of allowable investments to (1) collateralized bank certificates of deposit as per the City's depository contract, (2) direct obligations of the Federal government, (3) direct obligations of Federal agencies and instrumentalities, (4) investments in certificates of deposit at Federally insured banks or savings and loan associations, (5) collateralized savings accounts at the City's depository banks, or (6) Texpool/TexSTAR. As of September 30, 2023, the City's investments consisted solely of bank certificates of deposit and external investment pools.

City of Benbrook, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2023

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. As of September 30, 2023, the fair values of the primary government's and EDC's pledged securities and FDIC insurance exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard &

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Poor's. The City's market value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

B. Receivables

The following tables comprise the receivable balances of the primary government at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Sanitation</u>	<u>Total</u>
Property taxes	\$ 468,139	\$ 20,775	\$ -	\$ -	\$ 488,914
Sales taxes	889,289	-	-	-	889,289
Franchise taxes	60,983	-	5,344	-	66,327
Ambulance	99,653	-	-	-	99,653
Accounts	400,238	-	82,705	141,930	624,873
Other	19,984	-	44,307	-	64,291
Allowance	(121,771)	-	-	-	(121,771)
	<u>\$ 1,816,515</u>	<u>\$ 20,775</u>	<u>\$ 132,356</u>	<u>\$ 141,930</u>	<u>\$ 2,111,576</u>

The following comprise receivables balances of the City's discretely presented component unit at year end:

	<u>EDC</u>	<u>TIF</u>
Sales tax	\$ 444,644	\$ 3,461
	<u>\$ 444,644</u>	<u>\$ 3,461</u>

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 5,202,655	\$ -	\$ (323,947)	\$ 4,878,708
Right of way ("ROW")	9,821,372	-	-	9,821,372
Construction in progress	4,786,450	16,836,990	(3,557,672)	18,065,768
Total capital assets not being depreciated	<u>19,810,477</u>	<u>16,836,990</u>	<u>(3,881,619)</u>	<u>32,765,848</u>
Capital assets, being depreciated:				
Buildings	12,449,209	-	(331,932)	12,117,277
Infrastructure	89,054,626	-	3,557,672	92,612,298
Machinery, equipment, and vehicles	10,824,493	419,831	-	11,244,324
Total capital assets being depreciated	<u>112,328,328</u>	<u>419,831</u>	<u>3,225,740</u>	<u>115,973,899</u>
Less accumulated depreciation:				
Buildings	(7,603,610)	(336,452)	331,932	(7,608,130)
Infrastructure	(57,870,032)	(1,384,235)	-	(59,254,267)
Machinery, equipment, and vehicles	(4,194,166)	(763,596)	-	(4,957,762)
Total accumulated depreciation	<u>(69,667,808)</u>	<u>(2,484,283)</u>	<u>331,932</u>	<u>(71,820,159)</u>
Net capital assets being depreciated	<u>42,660,520</u>	<u>(2,064,452)</u>	<u>3,557,672</u>	<u>44,153,740</u>
Total Capital Assets	<u><u>\$ 62,470,997</u></u>	<u><u>\$ 14,772,538</u></u>	<u><u>\$ (323,947)</u></u>	<u><u>\$ 76,919,588</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 10,328
Public safety	745,056
Public works	1,727,952
Culture and recreation	947
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,484,283</u></u>

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

A summary of changes in component unit capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 20,372	\$ -	\$ -	\$ 20,372
Total capital assets being depreciated	<u>20,372</u>	<u>-</u>	<u>-</u>	<u>20,372</u>
Less accumulated depreciation				
Machinery and equipment	(18,340)	(2,032)	-	(20,372)
Total accumulated depreciation	<u>(18,340)</u>	<u>(2,032)</u>	<u>-</u>	<u>(20,372)</u>
Net capital assets being depreciated	2,032	(2,032)	-	-
Total Capital Assets	<u>\$ 2,032</u>	<u>\$ (2,032)</u>	<u>\$ -</u>	<u>\$ -</u>

D. Compensated Absences

The following summarizes the changes in the compensated absences balances of the primary government during the year. In general, the City uses the general fund to liquidate compensated absences.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,685,308	\$ 1,021,967	\$ (943,435)	\$ 1,763,840	\$ 1,587,456
Total Governmental Activities	<u>\$ 1,685,308</u>	<u>\$ 1,021,967</u>	<u>\$ (943,435)</u>	<u>\$ 1,763,840</u>	<u>\$ 1,587,456</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 176,384</u>	

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

E. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the debt service fund to liquidate governmental long-term liabilities.

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 21,680,000	\$ -	\$ (245,000)	\$ 21,435,000	\$ 885,000
Certificates of Obligation	340,000	-	(60,000)	280,000	65,000
Premiums	1,422,578	-	(59,274)	1,363,304	-
Total Governmental Activities	<u>\$ 23,442,578</u>	<u>\$ -</u>	<u>\$ (364,274)</u>	<u>\$ 23,078,304</u>	<u>\$ 950,000</u>
Long-term liabilities due in more than one year				<u>\$ 22,128,304</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Long-term debt at year end was comprised of the following debt issues:

Description	Maturity Date	Interest Rates	Original Balance	Current Balance
Governmental Activities:				
2013 General Obligation Refunding Bonds	2/1/2025	2.19%	\$ 2,635,000	\$ 515,000
2021 General Obligation Refunding Bonds	2/1/2046	2.00-4.00%	20,920,000	20,920,000
Total General Obligation Bonds			<u>23,555,000</u>	<u>21,435,000</u>
2007 Combination Tax & Revenue Certificates	2/1/2027	4.04%	\$ 1,455,000	\$ 280,000
Total Certificates of Obligation			<u>1,455,000</u>	<u>280,000</u>
Total Governmental Activities			<u>\$ 25,010,000</u>	<u>\$ 21,715,000</u>

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Governmental Activities				
Year ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2024	\$ 885,000	\$ 568,830	\$ 65,000	\$ 9,999
2025	915,000	537,491	70,000	7,272
2026	675,000	514,794	70,000	4,444
2027	695,000	494,144	75,000	1,515
2028	725,000	465,744	-	-
Thereafter	17,540,000	3,852,003	-	-
Total	<u>\$ 21,435,000</u>	<u>\$ 6,433,006</u>	<u>\$ 280,000</u>	<u>\$ 23,230</u>

F. Deferred Charge on Refunding

Deferred charges resulting from the issuance of the 2011 general obligation refunding bonds and 2013 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. Current year balances for governmental activities totaled \$11,665. Current year amortization expense for governmental activities totaled \$4,899.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

G. Interfund Transfers

Transfers between the primary government funds during the 2023 year were as follows:

Transfers In:	Transfers Out:			Total
	General Fund	Nonmajor Governmental	Sanitation	
General	\$ -	\$ 2,766,902	\$ 256,078	\$ 3,022,980
Debt service	-	331,485	-	331,485
Special assessment	250,000	-	-	250,000
Nonmajor govt	50,000	60,626	-	110,626
Total	\$ 300,000	\$ 3,159,013	\$ 256,078	\$ 3,715,091

Transfers between funds were primarily to support debt service requirements and operation of funds.

The general fund transferred \$1,444,704 to the TIF for the incremental increase in property taxes due from the increase in property values within the TIF area.

The general fund transferred \$53,537 to the EDC during the current year.

The compositions of interfund balances as of year end were as follows:

Due from:	Due to:	
	Nonmajor Govt.	Total
General Fund	\$ 9,033	\$ 9,033
Total	\$ 9,033	\$ 9,033

The compositions of balances due to/due from the primary government and component units were as follows:

Due from:	Due to:	
	EDC	Total
General Fund	\$ 36,459	\$ 36,459
Total	\$ 36,459	\$ 36,459

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

H. Restricted Net Position / Fund Balance

The City records restricted net position / fund balance to indicate that a portion is legally restricted for a specific future use.

The following is a list of restricted, committed, and committed fund balance of the City:

	Governmental Funds	Governmental Net Position
Restricted for:		
Debt service	\$ 421,605	\$ 421,605
Capital improvements	9,122,214	1,150,707
CARES Act grant activities	150,585	150,585
City promotions	428,990	428,990
* Public safety	226,998	226,998
Total Restricted	\$ 10,350,392	\$ 2,378,885
Committed for:		
Capital projects	\$ 527,575	
	\$ 527,575	

* Restricted by enabling legislation

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

The City is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. The City maintained general liability and property coverage through the Texas Municipal League Intergovernmental Risk Pool (TML). The City pays an annual premium to TML for such coverage. TML purchases reinsurance and the City does not retain risks of loss exceeding deductibles. The City did not have any significant reduction in the amount of insurance coverage for this fiscal year. Liabilities are reported when it is probable that a loss

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

has occurred and the amount of the loss can be reasonably estimated. No insurance claims of the City have exceeded insurance coverage for the last three fiscal years.

C. Defined Benefit Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The City of Benbrook participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Plan provisions for the City were as follows:

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	92
Inactive employees entitled to but not yet receiving benefits	84
Active employees	121
Total	297

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Benbrook were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Benbrook were 16.05% and 15.92% in calendar years 2023 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$1,787,642, and were equal to the required contributions.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of

City of Benbrook, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2023

return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public/Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	5.9%
Private Equity	10.0%	11.8%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 20,711,500	\$ 10,391,427	\$ 1,940,922

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/21	\$ 69,203,985	\$ 68,739,204	\$ 464,781
Changes for the year:			
Service Cost	2,004,909	-	2,004,909
Interest	4,646,443	-	4,646,443
Difference between expected and actual experience	719,171	-	719,171
Changes of assumptions	-	-	-
Contributions – employer	-	1,704,117	(1,704,117)
Contributions – employee	-	749,298	(749,298)
Net investment income	-	(5,017,933)	5,017,933
Benefit payments, including refunds of emp. contributions	(2,740,486)	(2,740,486)	-
Administrative expense	-	(43,420)	43,420
Other changes	-	51,815	(51,815)
Net changes	4,630,037	(5,296,609)	9,926,646
Balance at 12/31/22	\$ 73,834,022	\$ 63,442,595	\$ 10,391,427

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$2,561,909.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Contributions subsequent to the measurement date	\$ 1,362,150
Difference in experience	558,065
Changes in actuarial assumptions	47,164
Pension investment earnings	4,363,607
Total	\$ 6,330,986

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The City reported \$1,362,150 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	
December 31:	
2023	\$ 333,031
2024	1,182,913
2025	1,401,894
2026	2,050,998
2027	-
Thereafter	-
Total	\$ 4,968,836

D. Other Postemployment Benefits

1. Texas Municipal Retirement Systems

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn’t meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer’s yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	71
Inactive employees entitled to but not yet receiving benefits	20
Active employees	121
Total	212

The City's contributions to the TMRS SDBF for the years ended 2023 and 2022 were \$10,625 and \$8,785, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2021	0.08%	0.08%	100.0%
2022	0.08%	0.08%	100.0%
2023	0.10%	0.10%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2022, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.05%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

1% Decrease (3.05%)	Current Single Rate Assumption 4.05%	1% Increase (5.05%)
\$ 434,277	\$ 359,312	\$ 301,685

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/21	\$ 522,027
Changes for the year:	
Service Cost	24,620
Interest	9,753
Difference between expected and actual experience	10,673
Changes of assumptions	(199,198)
Benefit payments	(8,563)
Net changes	(162,715)
Balance at 12/31/22	\$ 359,312

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$25,092.

At September 30, 2023, the City reported deferred outflows and inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ 3,032	\$ -
Change in assumptions	-	(92,213)
Contributions subsequent to measurement date	8,487	-
Total	\$ 11,519	\$ (92,213)

The City reported \$8,487 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2023	\$ (9,281)
2024	(10,312)
2025	(11,838)
2026	(17,478)
2027	(23,986)
Thereafter	(16,286)
	<u>\$ (89,181)</u>

2. City of Benbrook Retiree Health Care Plan

Plan Description

Employees who retire from the City are eligible to continue health insurance (a single-employer) coverage through the City’s group plan, the City of Benbrook Retiree Health Care Plan, after their federal COBRA benefits expire. The retiree must continue with no break in coverage. If a retiree declines coverage, then the retiree is not eligible for coverage at some future date. If the retiree drops coverage, then the retiree may not re-enroll at a later date.

The City elected, by ordinance, to provide coverage to both current and retired employees. The City may terminate coverage under and discontinue participation by adopting an ordinance.

Benefits

Retirees are treated the same as active employees with one major exception, the retiree must prepay the monthly insurance premium. If a retiree includes a dependent coverage, the dependent must have been covered prior to the retiree’s retirement. The retirees pay the same amount for dependent coverage as an active employee; the City’s subsidy applies toward dependent coverage for the retiree only. The other postretirement employment benefits for eligible retirees are funded on a pay-as-you-go basis.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	0
Active employees & family members	117
Total	136

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2022, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.5% to 11.50, including inflation
Discount rate	4.05%

Mortality

For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Health Care Trend Rates

Initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years.

Participation Rates

It was assumed that 30% of eligible employees retiring before the age of 65 would choose to receive retiree health care benefits through the City. Of those assumed to elect coverage, 40% of retirees were assumed to elect two-person coverage. Additionally, it was assumed that 35% of eligible retirees would choose to receive retiree life insurance coverage through the City.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Discount Rate:

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 1.84% as of the prior measurement date.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Trends

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan’s total OPEB liability, calculated using a discount rate of 4.05%, as well as what the plan’s total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease (3.05%)	Current Discount Rate Assumption 4.05%	1% Increase (5.05%)
\$ 2,640,331	\$ 2,377,999	\$ 2,149,230

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Trend Rate Assump.	1% Increase
\$ 2,161,070	\$ 2,377,999	\$ 2,634,060

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2021	\$ 3,240,912
Changes for the year:	
Service Cost	144,346
Interest	60,328
Difference between expected and actual experience	(502,546)
Changes of assumptions	(496,267)
Benefit payments	(68,774)
Net changes	(862,913)
Balance at 12/31/2022	\$ 2,377,999

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$223,826.

At September 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in experience	\$ -	\$ (269,725)
Changes in actuarial assumptions	138,150	-
Total	\$ 138,150	\$ (269,725)

The City reported \$0 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024.

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended	
September 30:	
2024	\$ 19,152
2025	19,152
2026	19,152
2027	16,817
2028	2,594
Thereafter	(208,442)
Total	\$ (131,575)

3. Summary of OPEB Related Balances

A table summarizing the OPEB liabilities, deferred outflows, deferred inflows, and expenses as of and for the year ended September 30, 2023 is as follows:

Balance Description	TMRS	Retiree Health Care Plan	Total
OPEB liability	\$ 359,312	\$ 2,377,999	\$ 2,737,311
OPEB deferred outflows of resources	11,519	138,150	149,669
OPEB deferred inflows of resources	(92,213)	(269,725)	(361,938)
OPEB expense	25,092	223,826	248,918

E. Restatement

The City did not recognize a land addition in the prior year and beginning capital asset equipment balances did not tie to the client's asset schedule. The City restated prior year net position for governmental activities as follows:

	Governmental Activities
Prior year ending fund balance/net position, as reported	75,609,924
Capital asset restatement - land	323,947
Capital asset restatement - equipment	(27,586)
Restated beginning fund balance/net position	\$ 75,906,285

City of Benbrook, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

F. Subsequent Events

There were no material subsequent events through March 11, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION



City of Benbrook, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended September 30, 2023

	Original Budget	Original & Final Budget	2023 Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 16,116,515	\$ 16,116,515	\$ 15,497,160	\$ (619,355)
Sales tax	3,510,000	3,510,000	4,690,258	1,180,258
Franchise and local taxes	1,180,000	1,180,000	1,291,484	111,484
Charges for services	861,000	861,000	1,106,471	245,471
License, permits and fees	495,400	495,400	482,792	(12,608)
Fines and forfeitures	643,000	643,000	449,447	(193,553)
Investment income	150,000	150,000	652,085	502,085
Other revenue	610,000	610,000	676,355	66,355
Total Revenues	23,565,915	23,565,915	24,846,052	1,280,137
Expenditures				
Current:				
General government	1,463,951	1,463,951	1,437,831	26,120
Staff services	1,318,250	1,318,250	1,253,391	64,859
Community development	912,867	912,867	850,259	62,608
Public safety	12,617,282	12,617,282	11,872,562	744,720
Public services	5,924,559	7,165,487	6,306,428	859,059
Intergovernmental (payment to TIF)	1,364,006	1,364,006	1,444,704	(80,698)
Intergovernmental (payment to EDC)	-	-	53,537	(53,537)
Total Expenditures	23,600,915	24,841,843	23,218,712	1,623,131
Revenues Over (Under)	(35,000)	(1,275,928)	1,627,340	2,903,268
Other Financing Sources (Uses)				
Transfers in	3,236,733	3,236,733	3,022,980	(213,753)
Transfers (out)	(300,000)	(300,000)	(300,000)	-
Sale of capital assets	10,000	10,000	321,577	311,577
(Uses)	2,946,733	2,946,733	3,044,557	97,824
Net Change in Fund Balance	\$ 2,911,733	\$ 1,670,805	4,671,897	\$ 3,001,092
Beginning fund balance			17,044,506	
Ending Fund Balance			\$ 21,716,403	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Benbrook, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total pension liability				
Service cost	\$ 2,004,909	\$ 1,939,692	\$ 1,874,941	\$ 1,858,555
Interest	4,646,443	4,362,807	4,194,045	3,951,004
Differences between expected and actual experience	719,171	603,724	(884,044)	172,697
Changes of assumptions	-	-	-	203,079
Benefit payments, including refunds of participant contributions	(2,740,486)	(2,733,125)	(2,701,158)	(2,484,708)
Net change in total pension liability	<u>4,630,037</u>	<u>4,173,098</u>	<u>2,483,784</u>	<u>3,700,627</u>
Total pension liability - beginning	<u>\$ 69,203,985</u>	<u>\$ 65,030,887</u>	<u>\$ 62,547,103</u>	<u>\$ 58,846,476</u>
Total pension liability - ending (a)	<u>\$ 73,834,022</u>	<u>\$ 69,203,985</u>	<u>\$ 65,030,887</u>	<u>\$ 62,547,103</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,704,117	\$ 1,727,180	\$ 1,654,539	\$ 1,616,740
Contributions - members	749,298	729,207	704,487	699,456
Net investment income	(5,017,933)	7,965,133	4,336,513	7,678,388
Benefit payments, including refunds of participant contributions	(2,740,486)	(2,733,125)	(2,701,158)	(2,484,708)
Administrative expenses	(43,420)	(36,847)	(28,057)	(43,378)
Other	51,815	252	(1,095)	(1,303)
Net change in plan fiduciary net position	<u>(5,296,609)</u>	<u>7,651,800</u>	<u>3,965,229</u>	<u>7,465,195</u>
Plan fiduciary net position - beginning	<u>68,739,204</u>	<u>61,087,404</u>	<u>57,122,175</u>	<u>49,656,980</u>
Plan fiduciary net position - ending (b)	<u>\$ 63,442,595</u>	<u>\$ 68,739,204</u>	<u>\$ 61,087,404</u>	<u>\$ 57,122,175</u>
Fund's net pension liability - ending (a) - (b)	<u>\$ 10,391,427</u>	<u>\$ 464,781</u>	<u>\$ 3,943,483</u>	<u>\$ 5,424,928</u>
Plan fiduciary net position as a percentage of the total pension liability	85.93%	99.33%	93.94%	91.33%
Covered payroll	\$ 10,704,264	\$ 10,417,248	\$ 10,064,098	\$ 9,992,229
Fund's net pension position as a percentage of covered payroll	97.08%	4.46%	39.18%	54.29%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	¹
\$	1,706,379	\$ 1,657,777	\$ 1,575,386	\$ 1,520,604	\$ 1,320,055	
	3,750,563	3,549,305	3,389,690	3,323,230	3,124,814	
	(283,128)	(100,498)	(643,705)	(408,073)	(114,606)	
	-	-	-	(33,726)	-	
	(2,076,098)	(2,222,466)	(1,773,318)	(1,599,725)	(1,592,327)	
	<u>3,097,716</u>	<u>2,884,118</u>	<u>2,548,053</u>	<u>2,802,310</u>	<u>2,737,936</u>	
\$	<u>55,748,760</u>	<u>\$ 52,864,642</u>	<u>\$ 50,316,589</u>	<u>\$ 47,514,279</u>	<u>\$ 44,776,343</u>	
\$	<u>58,846,476</u>	<u>\$ 55,748,760</u>	<u>\$ 52,864,642</u>	<u>\$ 50,316,589</u>	<u>\$ 47,514,279</u>	
\$	1,516,476	\$ 1,534,575	\$ 1,492,510	\$ 1,484,633	\$ 1,414,524	
	648,461	634,122	601,949	585,491	548,570	
	(1,531,759)	6,236,147	2,829,895	61,051	2,219,956	
	(2,076,098)	(2,222,466)	(1,773,318)	(1,599,725)	(1,592,327)	
	(29,601)	(32,310)	(31,954)	(37,184)	(23,178)	
	(1,547)	(1,636)	(1,722)	(1,836)	(1,906)	
	<u>(1,474,068)</u>	<u>6,148,432</u>	<u>3,117,360</u>	<u>492,430</u>	<u>2,565,639</u>	
	51,131,048	44,982,616	41,865,256	41,372,826	38,807,187	
\$	<u>49,656,980</u>	<u>\$ 51,131,048</u>	<u>\$ 44,982,616</u>	<u>\$ 41,865,256</u>	<u>\$ 41,372,826</u>	
\$	<u>9,189,496</u>	<u>\$ 4,617,712</u>	<u>\$ 7,882,026</u>	<u>\$ 8,451,333</u>	<u>\$ 6,141,453</u>	
	84.38%	91.72%	85.09%	83.20%	87.07%	
\$	9,263,727	\$ 9,058,892	\$ 8,599,269	\$ 8,364,159	\$ 7,836,719	
	99.20%	50.97%	91.66%	101.04%	78.37%	

City of Benbrook, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially determined employer contributions	\$ 1,787,642	\$ 1,767,735	\$ 1,700,411	\$ 1,654,042
Contributions in relation to the actuarially determined contribution	\$ 1,787,642	\$ 1,767,735	\$ 1,700,411	\$ 1,654,042
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 11,159,566	\$ 10,981,563	\$ 10,279,543	\$ 10,106,225
Employer contributions as a percentage of covered payroll	16.02%	16.10%	16.54%	16.37%

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	¹
\$ 1,516,476	\$ 1,534,575	\$ 1,492,510	\$ 1,484,633	\$ 1,414,524	
<u>\$ 1,591,704</u>	<u>\$ 1,542,010</u>	<u>\$ 1,501,312</u>	<u>\$ 1,505,210</u>	<u>\$ 1,428,090</u>	
\$ (75,228)	\$ (7,435)	\$ (8,802)	\$ (20,577)	\$ (13,566)	
\$ 9,767,066	\$ 9,319,802	\$ 9,300,894	\$ 8,663,764	\$ 8,017,563	
16.30%	16.55%	16.14%	17.37%	17.81%	

City of Benbrook, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability				
Service cost	\$ 24,620	\$ 21,876	\$ 16,103	\$ 11,991
Interest	9,753	9,598	11,154	12,023
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	10,673	8,347	(16,949)	(6,556)
Changes of assumptions	(199,198)	17,405	66,792	65,028
Benefit payments, including refunds of participant contributions	(8,563)	(8,334)	(3,019)	(2,998)
Net change in total OPEB liability	<u>(162,715)</u>	<u>48,892</u>	<u>74,081</u>	<u>79,488</u>
Total OPEB liability - beginning	<u>\$ 522,027</u>	<u>\$ 473,135</u>	<u>\$ 399,054</u>	<u>\$ 319,566</u>
Total OPEB liability - ending	<u><u>\$ 359,312</u></u>	<u><u>\$ 522,027</u></u>	<u><u>\$ 473,135</u></u>	<u><u>\$ 399,054</u></u>
Covered payroll	\$ 10,704,264	\$ 10,417,248	\$ 10,064,098	\$ 9,992,229
Total OPEB liability as a percentage of covered payroll	3.36%	5.01%	4.70%	3.99%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>2019</u>	<u>2018</u>	¹
\$ 12,043	\$ 9,965	
10,799	10,586	
-	-	
2,000	-	
(24,573)	26,425	
<u>(1,853)</u>	<u>(1,812)</u>	
<u>(1,584)</u>	<u>45,164</u>	
\$ 321,150	\$ 275,986	
\$ 319,566	\$ 321,150	²
\$ 9,263,727	\$ 9,058,892	
3.45%	3.55%	

City of Benbrook, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS

CITY OF BENBROOK RETIREE HEALTH CARE PLAN

Years Ended September 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability				
Service cost	\$ 144,346	\$ 137,266	\$ 93,600	\$ 76,675
Interest	60,328	61,841	61,121	73,019
Differences between expected and actual experience	(502,546)	(9,269)	183,729	(12,208)
Changes of assumptions	(496,267)	58,866	573,187	179,682
Benefit payments, including refunds of participant contributions	(68,774)	(62,381)	(65,657)	(76,751)
Net change in total OPEB liability	<u>(862,913)</u>	<u>186,323</u>	<u>845,980</u>	<u>240,417</u>
Total OPEB liability - beginning	<u>\$ 3,240,912</u>	<u>\$ 3,054,589</u>	<u>\$ 2,208,609</u>	<u>\$ 1,968,192</u>
Total OPEB liability - ending	<u><u>\$ 2,377,999</u></u>	<u><u>\$ 3,240,912</u></u>	<u><u>\$ 3,054,589</u></u>	<u><u>\$ 2,208,609</u></u>
Covered payroll	\$ 10,647,845	\$ 10,422,812	\$ 10,096,402	\$ 10,094,927
Total OPEB liability as a percentage of covered payroll	22.33%	31.09%	30.25%	21.88%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>2019</u>	<u>2018</u>	¹
\$ 80,841	\$ 70,552	
60,332	62,575	
106,101	40,261	
(13,183)	103,164	
(96,414)	(106,309)	
137,677	170,243	
\$ 1,830,515	\$ 1,660,272	
\$ 1,968,192	\$ 1,830,515	²
\$ 9,401,496	\$ 9,319,802	
20.93%	19.64%	



OTHER SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

HOTEL FUND

The hotel fund collects hotel and motel taxes and spends those funds.

PUBLIC SAFETY FUND

The public safety fund is used for municipal court revenues restricted for public safety and the related expenditures.

PEG FUND

The grant fund is used for tracking PEG revenues and related expenditures.

GRANT FUND

The grant fund is used for tracking grant revenues and related expenditures.

CORE VALUE FUND

This fund is used to account for proceeds from natural gas leases and mineral interest revenue. These funds will be used for special major improvement projects to be determined by City Council, and therefore, the fund balance is committed.

STORM WATER FUND

This fund is used to account for amounts received and expended for the construction and renovation of major drainage improvements. Initial funding came from the issuance of bonds with additional funding from stormwater fees. The fund balance is restricted for future major stormwater projects.

OTHER CAPITAL PROJECTS FUND

The other capital projects fund is used to track capital projects activities not covered within other funds.

FEDERAL NARCOTICS FUND

This fund is used to account for the local share of net proceeds of federal forfeitures resulting from local law enforcement's participation in an investigation or prosecution.

City of Benbrook, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

		<u>Special Revenue Funds</u>			
		<u>Hotel</u>	<u>Public Safety</u>	<u>PEG</u>	<u>Grant</u>
<u>Assets</u>					
Cash and cash equivalents		\$ 192,993	\$ 211,892	\$ 205,960	\$ -
Receivables, net		44,307	-	5,344	-
Total Assets		<u>\$ 237,300</u>	<u>\$ 211,892</u>	<u>\$ 211,304</u>	<u>\$ -</u>
<u>Liabilities</u>					
Accounts payable		\$ 10,581	\$ 963	\$ -	\$ -
Due to other funds		9,033	-	-	-
Total Liabilities		<u>19,614</u>	<u>963</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted:					
City promotions		217,686	-	211,304	-
Public safety		-	210,929	-	-
Capital improvements		-	-	-	-
CARES Act grant activities		-	-	-	-
Committed					
Capital projects		-	-	-	-
Total Fund Balances		<u>217,686</u>	<u>210,929</u>	<u>211,304</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balances		<u>\$ 237,300</u>	<u>\$ 211,892</u>	<u>\$ 211,304</u>	<u>\$ -</u>

Special Revenue		Capital Project Funds			Total Nonmajor Governmental
CARES Act	Federal Narcotics	Core Value	Capital Project Storm Water	Other Capital Projects	
\$ 150,585	\$ 16,069	\$ 527,575	\$ 1,221,792	\$ 241,031	\$ 2,767,897
-	-	-	82,705	-	132,356
<u>\$ 150,585</u>	<u>\$ 16,069</u>	<u>\$ 527,575</u>	<u>\$ 1,304,497</u>	<u>\$ 241,031</u>	<u>\$ 2,900,253</u>
\$ -	\$ -	\$ -	\$ 26,100	\$ -	\$ 37,644
-	-	-	-	-	9,033
<u>-</u>	<u>-</u>	<u>-</u>	<u>26,100</u>	<u>-</u>	<u>46,677</u>
-	-	-	-	-	428,990
-	16,069	-	-	-	226,998
-	-	-	1,278,397	241,031	1,519,428
150,585	-	-	-	-	150,585
-	-	527,575	-	-	527,575
<u>150,585</u>	<u>16,069</u>	<u>527,575</u>	<u>1,278,397</u>	<u>241,031</u>	<u>2,853,576</u>
<u>\$ 150,585</u>	<u>\$ 16,069</u>	<u>\$ 527,575</u>	<u>\$ 1,304,497</u>	<u>\$ 241,031</u>	<u>\$ 2,900,253</u>

City of Benbrook, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	Special Revenue Funds			
	Hotel Motel	Public Safety	PEG	Grant
<u>Revenues</u>				
Hotel occupancy taxes	\$ 195,808	\$ -	\$ -	\$ -
Franchise fees	-	-	22,725	-
Charges for services	-	-	-	-
Fines and forfeitures	-	3,632	-	-
Investment income	156	203	165	-
Other revenue	98	-	-	-
Total Revenues	196,062	3,835	22,890	-
<u>Expenditures</u>				
Community development	164,325	-	12,396	-
Public safety	-	21,660	-	-
Capital outlay	-	-	-	60,626
Total Expenditures	164,325	21,660	12,396	60,626
Revenues Over (Under) Expenditures	31,737	(17,825)	10,494	(60,626)
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	60,626
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	60,626
Net Change in Fund Balances	31,737	(17,825)	10,494	-
Beginning fund balances	185,949	228,754	200,810	-
Ending Fund Balances	\$ 217,686	\$ 210,929	\$ 211,304	\$ -

Special Revenue		Capital Project Funds			Total Nonmajor Governmental
CARES Act	Federal Narcotics	Core Value	Capital Project Storm Water	Other Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,808
-	-	-	-	-	22,725
-	-	-	1,070,144	-	1,070,144
-	-	-	-	-	3,632
-	22	11,535	25,228	4,014	41,323
-	-	39,071	-	-	39,169
-	22	50,606	1,095,372	4,014	1,372,801
-	-	-	-	-	176,721
-	19,432	-	-	-	41,092
-	-	-	661,090	-	721,716
-	19,432	-	661,090	-	939,529
-	(19,410)	50,606	434,282	4,014	433,272
-	-	-	-	50,000	110,626
(2,766,902)	-	(60,626)	(331,485)	-	(3,159,013)
(2,766,902)	-	(60,626)	(331,485)	50,000	(3,048,387)
(2,766,902)	(19,410)	(10,020)	102,797	54,014	(2,615,115)
2,917,487	35,479	537,595	1,175,600	187,017	5,468,691
\$ 150,585	\$ 16,069	\$ 527,575	\$ 1,278,397	\$ 241,031	\$ 2,853,576



City of Benbrook, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended September 30, 2023

	Original & Final Budget	2023 Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 590,936	\$ 571,065	\$ (19,871)
Intergovernmental revenue	297,587	-	(297,587)
Investment income	-	569	569
Other income	50	-	(50)
Total Revenues	888,573	571,634	(316,939)
<u>Expenditures</u>			
General	-	3,500	(3,500)
Debt service:			
Principal	305,000	305,000	-
Interest	603,229	600,029	3,200
Total Expenditures	908,229	908,529	(300) *
Revenues Over (Under) Expenditures	(19,656)	(336,895)	(316,639)
<u>Other Financing Sources (Uses)</u>			
Transfers in	33,898	331,485	297,587
Total Other Financing Sources (Uses)	33,898	331,485	297,587
Net Change in Fund Balance	\$ 14,242	(5,410)	\$ (19,652)
Beginning fund balance		427,015	
Ending Fund Balance		\$ 421,605	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- * 2. Expenditures exceeded appropriations at the legal level of control.

City of Benbrook, Texas
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2023

	EDC	TIF	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 3,811,871	\$ 5,081,469	\$ 8,893,340
Investments	3,947,442	-	3,947,442
Receivables, net	444,644	3,461	448,105
Total Current Assets	8,203,957	5,084,930	13,288,887
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	3,298	-	3,298
Due to primary government	36,459	-	36,459
Total Liabilities	39,757	-	39,757
<u>Fund Balances</u>			
Restricted for:			
Economic development	8,164,200	-	8,164,200
Capital improvements	-	5,084,930	5,084,930
Total Fund Balance	8,164,200	5,084,930	13,249,130
Total Liabilities and Fund Balance	\$ 8,203,957	\$ 5,084,930	\$ 13,288,887

See Notes to Financial Statements.

City of Benbrook, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2023

Fund Balance \$ 13,249,130

There were no adjustments to government-wide net position in the current year

Net Position of the Discretely Presented Component Unit \$ 13,249,130

City of Benbrook, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNITS

For the Year Ended September 30, 2023

	EDC	TIF	Total
<u>Revenues</u>			
Sales taxes	\$ 2,338,636	\$ -	\$ 2,338,636
Investment income	-	80,974	80,974
Intergovernmental	53,537	1,444,704	1,498,241
Other revenues	185,568	1,329,517	1,515,085
Total Revenues	2,577,741	2,855,195	5,432,936
 <u>Expenditures</u>			
Current:			
General government	111,248		111,248
Staff services	309,269	-	309,269
Economic development	401,948	-	401,948
Capital outlay	-	1,543,757	1,543,757
Total Expenditures	822,465	1,543,757	2,366,222
Excess of Revenues Over (Under) Expenditures	1,755,276	1,311,438	3,066,714
Net Change in Fund Balances	1,755,276	1,311,438	3,066,714
Beginning fund balances	6,408,924	3,773,492	10,182,416
Ending Fund Balances	\$ 8,164,200	\$ 5,084,930	\$ 13,249,130

See Notes to Financial Statements.

City of Benbrook, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED COMPONENT UNITS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances	\$ 3,066,714
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	<u>(2,032)</u>
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Change in Net Position of the Discretely Presented Component Unit	<u><u>\$ 3,064,682</u></u>
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STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
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Financial Trends	104
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	115
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These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity	122
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	127
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	132
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Benbrook, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 42,176,087	\$ 45,305,129	\$ 47,197,644	\$ 48,942,935
Restricted	5,786,813	6,106,372	6,641,953	7,216,854
Unrestricted	7,826,398	9,644,719	9,162,784	6,483,104
Total governmental activities net position	\$ 55,789,298	\$ 61,056,220	\$ 63,002,381	\$ 62,642,893
Business-type activities				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total business-type activities net position	(a) \$ -	\$ -	\$ -	\$ -
Primary government				
Net investment in capital assets	\$ 42,176,087	\$ 45,305,129	\$ 47,197,644	\$ 48,942,935
Restricted	5,786,813	6,106,372	6,641,953	7,216,854
Unrestricted	7,826,398	9,644,719	9,162,784	6,483,104
Total primary government net position	\$ 55,789,298	\$ 61,056,220	\$ 63,002,381	\$ 62,642,893

Source: City's audited financial statements.

(a) Business-type activities commenced during FY2021.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 55,684,372	\$ 52,647,584	\$ 58,380,830	\$ 55,708,607	\$ 58,727,273	\$ 59,559,177
5,633,268	11,010,038	2,795,311	5,302,213	6,127,230	2,378,885
798,459	1,116,251	1,101,578	5,056,527	10,755,421	15,968,709
<u>\$ 62,116,099</u>	<u>\$ 64,773,873</u>	<u>\$ 62,277,719</u>	<u>\$ 66,067,347</u>	<u>\$ 75,609,924</u>	<u>\$ 77,906,771</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	4,173	(16,901)	41,681
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,173</u>	<u>\$ (16,901)</u>	<u>\$ 41,681</u>
\$ 55,684,372	\$ 52,647,584	\$ 58,380,830	\$ 55,708,607	\$ 58,727,273	\$ 59,559,177
5,633,268	11,010,038	2,795,311	5,302,213	6,127,230	2,378,885
798,459	1,116,251	1,101,578	5,060,700	10,738,520	16,010,390
<u>\$ 62,116,099</u>	<u>\$ 64,773,873</u>	<u>\$ 62,277,719</u>	<u>\$ 66,071,520</u>	<u>\$ 75,593,023</u>	<u>\$ 77,948,452</u>

City of Benbrook, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental activities:				
General government	\$ 1,178,935	\$ 1,267,277	\$ 1,261,520	\$ 1,341,046
Staff services	929,495	931,314	941,237	1,038,337
Public safety	8,662,545	8,540,152	9,699,627	10,369,701
Public services	6,945,037	4,333,979	4,393,555	4,930,420
Community development	3,012,664	1,977,768	2,185,174	3,649,961
Intergovernmental	-	-	-	-
Interest on long-term debt	476,713	313,493	239,440	227,764
Total governmental activities expenses	<u>21,205,389</u>	<u>17,363,983</u>	<u>18,720,553</u>	<u>21,557,229</u>
Business-type activities: (a)				
Sanitation	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u><u>\$ 21,205,389</u></u>	<u><u>\$ 17,363,983</u></u>	<u><u>\$ 18,720,553</u></u>	<u><u>\$ 21,557,229</u></u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,427,145	\$ 1,671,727	\$ 1,574,048	\$ 1,546,117
Public safety	133,911	227,469	184,773	135,860
Public services	-	-	-	-
Community development	1,310,196	1,588,438	1,572,477	1,617,691
Operating grants and contributions				
Public safety	426,198	466,660	641,443	449,344
General government				
Capital grants and contributions				
Public service	-	-	-	-
General government	588,669	1,310,000	-	-
Community development	-	-	-	-
Total governmental activities program revenues	<u>3,886,119</u>	<u>5,264,294</u>	<u>3,972,741</u>	<u>3,749,012</u>
Business-type activities:				
Charges for services:				
Sanitation	\$ -	\$ -	\$ -	\$ -
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u><u>\$ 3,886,119</u></u>	<u><u>\$ 5,264,294</u></u>	<u><u>\$ 3,972,741</u></u>	<u><u>\$ 3,749,012</u></u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 225,122	\$ 1,316,153	\$ 1,297,980	\$ 1,296,361	\$ 1,027,575	\$ 1,508,440
1,009,345	1,228,554	1,180,268	1,221,062	1,094,150	1,302,379
7,775,892	11,075,635	11,385,581	10,667,513	10,719,623	13,269,395
4,588,623	5,165,065	5,709,626	5,725,116	6,031,046	8,290,674
3,578,257	2,225,782	851,005	901,385	1,039,334	1,037,279
-	-	-	1,086,189	1,269,306	1,498,241
188,808	160,953	178,055	479,671	567,982	543,455
<u>17,366,047</u>	<u>21,172,142</u>	<u>20,602,515</u>	<u>21,377,297</u>	<u>21,749,016</u>	<u>27,449,863</u>
-	-	-	1,202,676	1,307,651	1,400,535
-	-	-	1,202,676	1,307,651	1,400,535
<u>\$ 17,366,047</u>	<u>\$ 21,172,142</u>	<u>\$ 20,602,515</u>	<u>\$ 22,579,973</u>	<u>\$ 23,056,667</u>	<u>\$ 28,850,398</u>
\$ 1,511,567	\$ 1,336,174	\$ 164,607	\$ 1,069,337	\$ -	\$ -
2,917,549	154,438	2,172,110	1,693,397	1,921,656	1,647,457
-	-	-	-	1,057,096	1,070,144
1,431,485	1,766,006	56,934	504,049	1,010,760	482,792
422,003	556,795	1,800,856	-	-	-
-	-	-	2,911,733	3,240,927	-
-	-	-	-	2,844,902	1,543,757
-	-	-	85,760	-	-
-	-	-	-	-	-
<u>6,282,604</u>	<u>3,813,413</u>	<u>4,194,507</u>	<u>6,264,276</u>	<u>10,075,341</u>	<u>4,744,150</u>
\$ -	\$ -	\$ -	\$ 1,441,773	\$ 1,544,641	\$ 1,715,195
-	-	-	1,441,773	1,544,641	1,715,195
<u>\$ 6,282,604</u>	<u>\$ 3,813,413</u>	<u>\$ 4,194,507</u>	<u>\$ 7,706,049</u>	<u>\$ 11,619,982</u>	<u>\$ 6,459,345</u>

City of Benbrook, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expenses) Revenue				
Governmental activities	\$ (17,319,270)	\$ (12,099,689)	\$ (14,747,812)	\$ (17,808,217)
Business-type activities	-	-	-	-
Total primary government net expense	<u>\$ (17,319,270)</u>	<u>\$ (12,099,689)</u>	<u>\$ (14,747,812)</u>	<u>\$ (17,808,217)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Ad valorem	10,352,345	10,610,039	10,786,456	11,116,712
Franchise taxes	1,648,597	1,675,780	1,683,199	1,569,122
Sales and other	3,591,800	3,556,317	3,409,983	3,617,894
Hotel motel taxes	-	-	-	-
Use of money and property	453,796	296,477	202,169	324,791
Miscellaneous	593,514	1,710,815	612,166	820,210
Interest income	-	-	-	-
Intergovernmental	-	-	-	-
Transfers	-	-	-	-
Gain (loss) on sale of property	86,909	148,154	-	-
Total governmental activities	<u>16,726,961</u>	<u>17,997,582</u>	<u>16,693,973</u>	<u>17,448,729</u>
Business-type activities:				
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u><u>\$ 16,726,961</u></u>	<u><u>\$ 17,997,582</u></u>	<u><u>\$ 16,693,973</u></u>	<u><u>\$ 17,448,729</u></u>
Change in Net Position				
Governmental activities	\$ (592,309)	\$ 5,897,893	\$ 1,946,161	\$ (359,488)
Business-type activities	-	-	-	-
Total primary government	<u><u>\$ (592,309)</u></u>	<u><u>\$ 5,897,893</u></u>	<u><u>\$ 1,946,161</u></u>	<u><u>\$ (359,488)</u></u>

Source: City's audited financial statements.
(a) Business-type activities commenced during FY2021.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ (11,083,443)	\$ (17,358,729)	\$ (16,408,008)	\$ (15,113,021)	\$ (11,673,675)	\$ (22,705,713)
-	-	-	239,097	236,990	314,660
<u>\$ (11,083,443)</u>	<u>\$ (17,358,729)</u>	<u>\$ (16,408,008)</u>	<u>\$ (14,873,924)</u>	<u>\$ (11,436,685)</u>	<u>\$ (22,391,053)</u>
11,780,850	12,751,779	13,654,436	14,011,982	14,731,226	16,129,043
1,436,791	1,580,981	1,494,185	1,239,339	1,260,483	1,314,209
3,848,345	4,522,624	3,438,596	3,563,941	3,907,011	4,690,258
-	-	-	-	163,397	195,808
353,573	677,668	-	-	-	-
820,203	721,009	582,468	1,133,817	800,607	713,154
-	31,559	24,324	21,346	94,238	1,407,649
-	-	-	-	297,587	-
-	-	-	234,924	258,064	256,078
-	(269,117)	-	(1,302,700)	-	-
<u>18,239,762</u>	<u>20,016,503</u>	<u>19,194,009</u>	<u>18,902,649</u>	<u>21,512,613</u>	<u>24,706,199</u>
-	-	-	(234,924)	(258,064)	(256,078)
-	-	-	(234,924)	(258,064)	(256,078)
<u>\$ 18,239,762</u>	<u>\$ 20,016,503</u>	<u>\$ 19,194,009</u>	<u>\$ 18,667,725</u>	<u>\$ 21,254,549</u>	<u>\$ 24,450,121</u>
\$ 7,156,319	\$ 2,657,774	\$ 2,786,001	\$ 3,789,628	\$ 9,838,938	\$ 2,000,486
-	-	-	4,173	(21,074)	58,582
<u>\$ 7,156,319</u>	<u>\$ 2,657,774</u>	<u>\$ 2,786,001</u>	<u>\$ 3,793,801</u>	<u>\$ 9,817,864</u>	<u>\$ 2,059,068</u>

City of Benbrook, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	2014	2015	2016	2017
General Fund				
Committed	\$ 225,122	\$ 225,122	\$ 225,122	\$ 225,122
Assigned	-	829,921	1,295,285	1,464,917
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Public safety	-	-	-	-
Unassigned	8,580,080	9,464,362	9,399,726	8,315,151
Total general fund	\$ 8,805,202	\$ 10,519,405	\$ 10,920,133	\$ 10,005,190
 All Other Governmental Funds				
Restricted for:				
Debt service	225,304	100,157	75,180	100,915
Economic development	5,601,174	6,031,778	6,579,479	6,301,901
Grant activities	-	-	-	-
City promotions	422,190	422,190	432,933	422,666
Capital improvements	7,930,814	9,366,394	6,747,821	7,146,121
Public safety	369,039	579,417	400,029	407,222
Committed				
Capital projects	-	-	2,961,472	3,814,998
Grants	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	\$ 14,548,521	\$ 16,499,936	\$ 17,196,914	\$ 18,193,823

Source: City's audited financial statements.

Notes: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2010.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 225,122	\$ 225,122	\$ 225,122	\$ 236,306	\$ -	\$ -
770,414	-	-	-	-	-
-	-	-	-	224,156	725
-	-	-	-	-	-
7,634,054	7,775,892	9,794,809	13,195,410	16,820,350	21,715,678
<u>\$ 8,629,590</u>	<u>\$ 8,001,014</u>	<u>\$ 10,019,931</u>	<u>\$ 13,431,716</u>	<u>\$ 17,044,506</u>	<u>\$ 21,716,403</u>
160,158	345,129	347,745	454,353	427,015	421,605
4,685,009	4,739,269	4,931,712	-	-	-
-	-	-	1,597,764	2,917,487	150,585
428,083	402,562	359,299	408,727	386,759	428,990
6,650,900	5,204,500	4,792,792	24,570,588	22,840,114	9,122,214
368,543	317,106	300,895	270,781	264,233	226,998
2,619,709	2,917,549	1,355,483	532,524	537,595	527,575
-	-	11,337	-	-	-
(72,431)	(8,363)	-	-	-	-
<u>\$ 14,839,971</u>	<u>\$ 13,917,752</u>	<u>\$ 12,099,263</u>	<u>\$ 27,834,737</u>	<u>\$ 27,373,203</u>	<u>\$ 10,877,967</u>

City of Benbrook, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues				
Taxes				
Property	\$ 10,302,584	\$ 10,577,267	\$ 10,775,137	\$ 11,141,571
Franchise	1,648,597	1,675,780	1,683,199	1,569,122
Sales & other	3,591,800	3,556,317	3,398,140	3,606,051
Licenses and permits	316,355	480,192	613,949	636,484
Fines and fees	737,564	850,128	849,464	868,006
Use of money and property	387,324	296,477	202,169	324,791
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	2,987,124	3,335,900	3,170,890	3,180,229
Proceeds for sale of assets	286,550	999,472	-	-
Grant revenues	-	-	-	-
Other revenues	616,282	977,336	649,724	615,544
Total Revenues	20,874,180	22,748,869	21,342,672	21,941,798
Expenditures				
General government	1,942,429	1,800,992	1,814,956	1,935,773
Staff services	922,443	937,917	918,376	1,016,834
Public safety	8,104,906	8,306,038	9,025,481	9,710,428
Public services	2,588,207	2,663,028	2,900,514	3,049,832
Community development	2,620,969	1,372,125	1,442,277	1,989,999
Economic development	503,408	610,675	578,215	577,687
Intergovernmental	-	-	-	-
Debt Service:				
Principal	3,756,885	1,225,000	1,260,000	1,310,000
Interest	418,834	307,001	235,108	207,725
Debt issuance cost	46,226	-	-	-
Capital outlay	4,081,122	1,860,475	2,070,039	2,061,554
Total Expenditures	24,985,429	19,083,251	20,244,966	21,859,832
Excess of Revenues Over (Under)				
Expenditures	(4,111,249)	3,665,618	1,097,706	81,966
Other Financing Sources (Uses)				
Issuance of debt	3,932,293	-	-	-
Proceeds from sale of assets	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	2,660,316	1,385,106	1,860,504	2,442,754
Transfers (out)	(2,660,316)	(1,385,106)	(1,860,504)	(2,442,754)
Total Other Financing Sources (Uses)	3,932,293	-	-	-
Net change in fund balances	\$ (178,956)	\$ 3,665,618	\$ 1,097,706	\$ 81,966
Debt service as percentage of noncapital expenditures	20.2%	8.9%	8.2%	7.7%

Source: City's audited financial statements.

2018	2019	2020	2021	2022	2023
\$ 11,820,512	\$ 12,722,537	\$ 13,635,241	\$ 14,098,749	\$ 14,758,875	\$ 16,068,225
1,436,791	1,580,981	1,477,050	1,239,339	1,260,483	1,314,209
3,848,345	4,522,624	5,092,120	4,065,144	4,070,408	4,886,066
445,618	703,353	654,119	504,049	1,010,760	482,792
754,339	699,366	675,901	630,341	568,814	453,079
353,575	677,668	317,265	-	-	-
-	36,757	24,324	21,346	94,238	1,407,649
-	-	-	-	297,587	-
3,353,286	3,389,850	3,811,462	2,129,196	2,409,938	2,289,272
-	901,215	-	-	-	-
-	-	-	2,911,733	3,240,927	-
522,750	645,084	2,209,360	632,614	777,010	715,524
<u>22,535,216</u>	<u>25,879,435</u>	<u>27,896,842</u>	<u>26,232,511</u>	<u>28,489,040</u>	<u>27,616,816</u>
1,985,015	2,181,124	2,160,935	1,392,059	1,399,987	1,453,191
1,016,521	1,200,744	1,069,757	1,260,761	1,439,618	1,253,391
10,148,264	10,328,881	10,691,451	10,441,559	10,899,275	11,913,654
3,109,217	3,521,576	4,211,105	4,285,835	4,609,760	6,306,428
1,642,185	1,897,270	1,013,280	919,394	1,032,214	1,026,980
446,985	591,355	1,221,738	-	-	-
-	-	-	1,086,189	1,269,306	1,498,241
1,340,000	1,390,000	1,430,000	1,520,000	1,370,000	305,000
179,300	150,100	119,905	85,259	564,391	600,029
-	-	-	401,852	-	-
7,397,181	6,169,180	5,815,624	1,232,983	3,077,620	15,660,896
<u>27,264,668</u>	<u>27,430,230</u>	<u>27,733,795</u>	<u>22,625,891</u>	<u>25,662,171</u>	<u>40,017,810</u>
<u>(4,729,452)</u>	<u>(1,550,795)</u>	<u>163,047</u>	<u>3,606,620</u>	<u>2,826,869</u>	<u>(12,400,994)</u>
-	-	-	20,920,000	-	-
-	-	-	801,069	66,323	321,577
-	-	-	1,481,852	-	-
3,170,467	3,159,776	3,181,679	1,561,068	1,365,437	3,715,091
<u>(3,170,467)</u>	<u>(3,159,776)</u>	<u>(3,181,679)</u>	<u>(1,326,144)</u>	<u>(1,107,373)</u>	<u>(3,459,013)</u>
-	-	-	23,437,845	324,387	577,655
<u>\$ (4,729,452)</u>	<u>\$ (1,550,795)</u>	<u>\$ 163,047</u>	<u>\$ 27,044,465</u>	<u>\$ 3,151,256</u>	<u>\$ (11,823,339)</u>
7.6%	7.2%	7.1%	9.4%	7.5%	2.3%



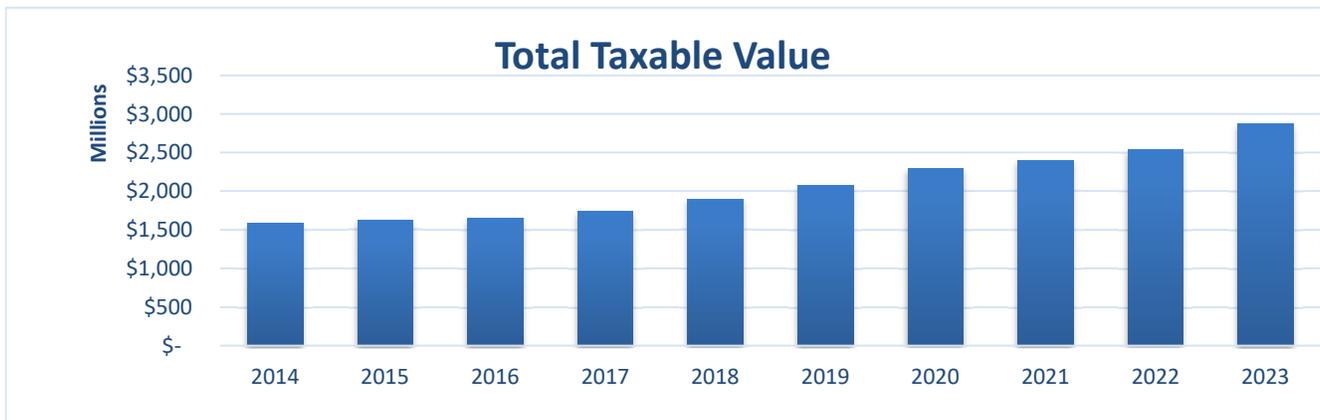
City of Benbrook, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended	Estimated Market Value		Less	Total Taxable Value	Total Direct Tax Rate
	Real Property	Personal Property	Tax-Exempt Property		
2014	\$ 1,500,773,950	\$ 265,059,132	\$ 183,991,663	\$ 1,582,702,196	0.6575
2015	1,535,449,044	272,897,194	184,775,845	1,623,570,393	0.6575
2016	1,583,630,760	253,047,573	183,611,094	1,653,067,239	0.6575
2017	1,816,545,757	173,863,277	256,534,440	1,733,874,594	0.6500
2018	2,029,862,710	148,380,724	283,258,247	1,894,985,187	0.6400
2019	2,219,370,953	147,582,688	287,334,504	2,079,619,137	0.6400
2020	2,373,781,556	156,015,235	236,702,655	2,293,094,136	0.6278
2021	2,489,475,460	165,845,547	257,774,969	2,397,546,038	0.6225
2022	2,641,341,523	157,057,564	260,155,174	2,538,243,913	0.6175
2023	2,967,748,557	181,837,601	274,289,224	2,875,296,934	0.5950

(1) Values taken from the adjusted tax roll at 9/30 prepared by the Tarrant Appraisal District.



City of Benbrook, Texas

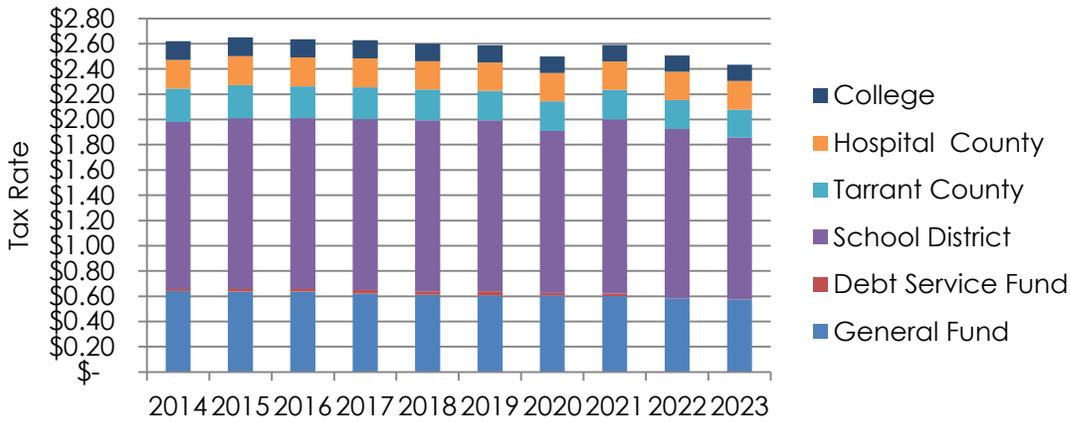
DIRECT & OVERLAPPING PROPERTY TAX RATES

(per \$100 of assessed value)

(Unaudited)

City of Benbrook

Fiscal Year Ended	General Fund	Debt Service Fund	City Total
2014	\$ 0.642500	\$ 0.015000	\$ 0.657500
2015	0.637500	0.020000	0.657500
2016	0.637500	0.020000	0.657500
2017	0.622500	0.027500	0.650000
2018	0.612500	0.027500	0.640000
2019	0.607500	0.032500	0.640000
2020	0.606470	0.021300	0.627770
2021	0.601500	0.021000	0.622500
2022	0.581000	0.036500	0.617500
2023	0.574000	0.021000	0.595000



Overlapping Rates

Fort Worth		Tarrant	Hospital	College	Totals
School	District	County	County		
\$	1.322000	\$	0.227897	\$	2.620897
	1.352000		0.227897	0.149500	2.650897
	1.352000	0.254000	0.227897	0.144730	2.636127
	1.352000	0.254000	0.227897	0.144730	2.628627
	1.352000	0.244000	0.224429	0.140060	2.600489
	1.352000	0.234000	0.224429	0.136070	2.586499
	1.282000	0.234000	0.224429	0.130170	2.498369
	1.378400	0.234000	0.224429	0.130170	2.589499
	1.343200	0.229000	0.224429	0.130170	2.544299
	1.281600	0.224000	0.224429	0.130170	2.455199

City of Benbrook, Texas
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago
(Unaudited)

2023

Taxpayer	Taxable Assessed Value	Percent of Total Taxable Amount
5644 Riverwalk LLC	\$ 87,300,000	3.44%
Benbrook Apartments LLC	63,900,000	2.52%
SW Highland LLC	59,900,000	2.36%
BW Heights LLC	45,000,000	1.77%
WW 8889 Cook Ranch Road LP	43,600,000	1.72%
GD Energy Products LLC	34,017,976	1.34%
CRP -GREP Overture Benbrook Owner LP	27,000,000	1.06%
Obsidian Greenwood Creek LLC	24,255,000	0.96%
BKV North Texas LLC	22,763,180	0.90%
Brazos Clear Fork LLC	21,700,000	0.85%
	\$ 429,436,156	16.92%

(1) All information provided by the Tarrant Appraisal District

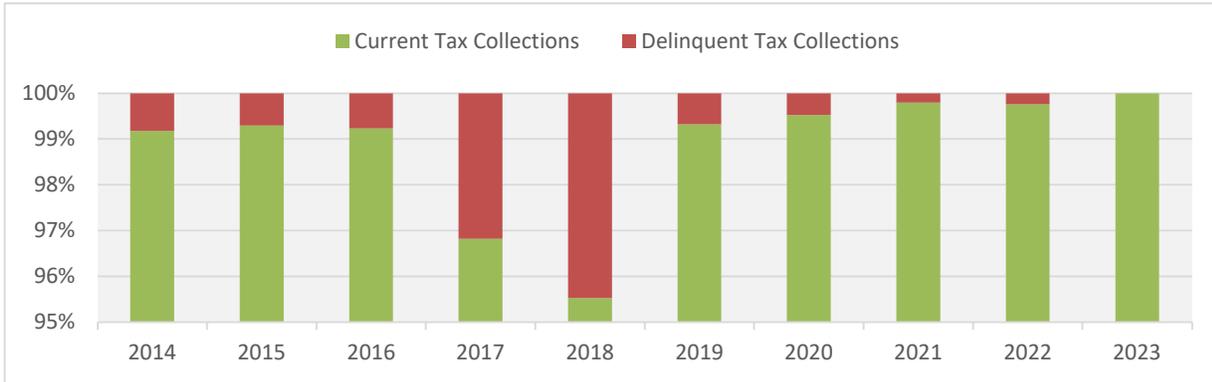
2014

Taxpayer	Taxable Assessed Value	Percent of Total Taxable Amount
Precision Energy Services	\$ 77,503,234	5.00%
XTO Energy Inc	30,835,800	1.99%
SW Highland LLC	26,200,000	1.69%
Weatherford US LP	25,110,495	1.62%
Cordiel Victorian Quarters	22,900,000	1.48%
Walmart Real Estate Bus Trust/St	19,688,622	1.27%
Garner Denver Inc	16,651,054	1.07%
Oncor Electric Delivery Co LLC	15,368,721	0.99%
MB Copper Crossing LP	14,000,000	0.90%
Computalog USA Inc	11,206,039	0.72%
	\$ 259,463,965	16.73%

City of Benbrook, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections
2014	\$ 10,336,584	\$ 10,214,680	98.82%	\$ 85,015	\$ 10,264,181
2015	10,687,525	10,598,100	99.16%	75,216	10,598,100
2016	10,751,674	10,650,522	99.06%	82,644	10,713,232
2017	11,286,321	10,909,418	96.66%	358,323	11,034,819
2018	12,207,960	11,642,272	95.37%	545,006	12,187,278
2019	12,706,094	12,594,291	99.12%	85,698	12,679,989
2020	13,615,577	13,514,430	99.26%	64,710	13,579,140
2021	14,073,249	13,978,747	99.33%	28,809	14,007,556
2022	14,713,025	14,650,661	99.58%	35,756	14,686,417
2023	15,995,580	15,885,537	99.31%	-	15,885,537

Source: Tarrant County Tax Assessor-Collector

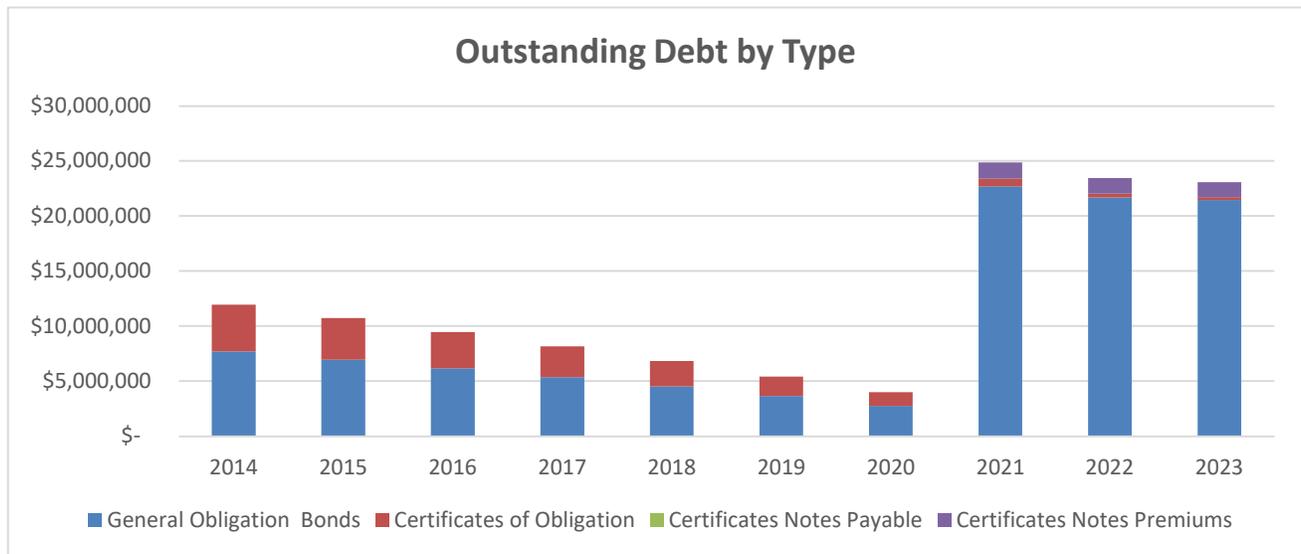


Percent of Total Tax Collections To Tax Levy	Delinquent Tax Outstanding	Percent of Delinquent Tax To Tax Levy
99.30%	\$ 36,889	2.74%
99.16%	14,209	2.29%
99.64%	18,508	3.31%
97.77%	18,580	2.01%
99.83%	20,682	0.17%
99.79%	26,852	0.21%
99.73%	40,263	0.30%
99.53%	50,398	0.36%
99.82%	62,364	0.42%
99.31%	110,043	0.69%

City of Benbrook, Texas
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Governmental Activities			
	General Obligation Bonds	Certificates of Obligation	Notes Payable	Premiums
2014	\$ 7,700,000	\$ 4,245,000	\$ -	\$ -
2015	6,945,000	3,775,000	-	-
2016	6,165,000	3,295,000	-	-
2017	5,350,000	2,795,000	-	-
2018	4,515,000	2,295,000	-	-
2019	3,645,000	1,770,000	-	-
2020	2,750,000	1,235,000	-	-
2021	22,695,000	695,000	-	1,481,852
2022	21,680,000	340,000	-	1,422,578
2023	21,435,000	280,000	-	1,363,304

- (1) Details on the City's outstanding debt can be found in the notes to the financial statements
- (2) Taxable property and population data is available on Table 5 and Table 12, respectively.
- (3) Personal Income provided by Benbrook Economic Development Corporation from ESRI.



Percentage of Actual Taxable Value of Property	Percentage of Personal Income
0.77%	1.00%
0.69%	0.89%
0.61%	0.79%
0.52%	0.68%
0.36%	0.57%
0.26%	0.32%
0.17%	0.23%
0.98%	1.25%
0.87%	1.17%
0.76%	1.16%



City of Benbrook, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES - DEBT

September 30, 2023

(Unaudited)

Jurisdiction	Debt Outstanding	Applicable to the City of Benbrook (b)	Estimated Share of Overlapping Debt
Fort Worth Independent School District (a)	\$ 1,504,885	4.68%	\$ 70,429
Tarrant County	376,120	1.00%	3,761
Tarrant County Hospital District	448,410,000	1.00%	4,484,100
Tarrant County College District (b)	591,230,000	1.00%	5,912,300
Overlapping Debt	1,041,521,005		10,470,590
City Direct Debt	21,715,000	100.00%	21,715,000
Direct & Overlapping Bonded Debt	\$ 1,063,236,005		\$ 32,185,590
Ratio of Overlapping Bonded Debt to Taxable Assessed Valuation		3.62%	
Per Capita Overlapping Bonded Debt		1,414	

(a) Outstanding debt information found via <https://comptroller.texas.gov/transparency/local/debt/>.

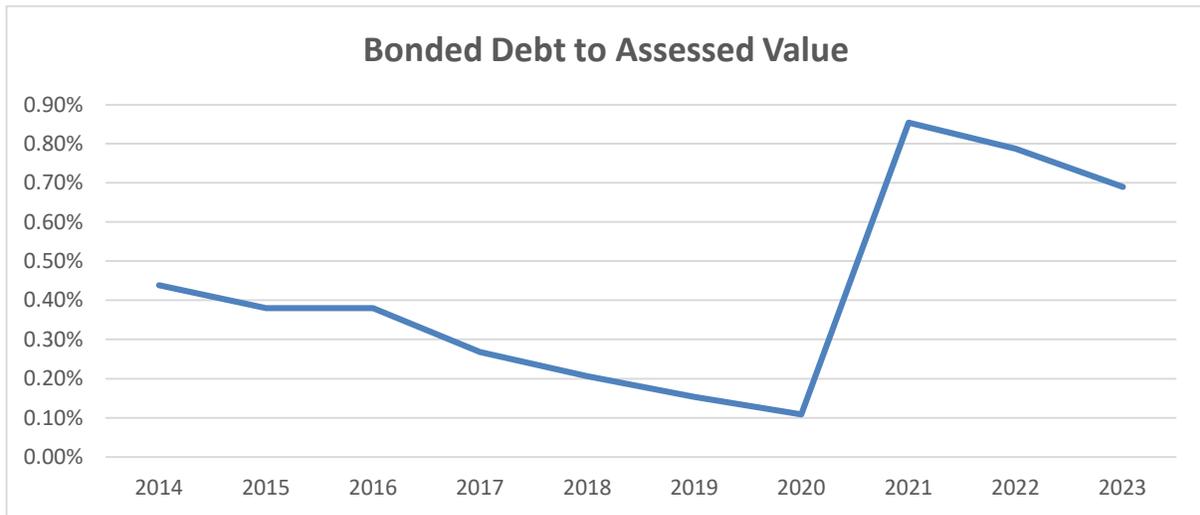
(b) Benbrook population as reported by <http://www.texassitesearch.com/demographics.html>.

City of Benbrook, Texas

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Estimated Population	Assessed Value	General Bonded Debt	Bonded Debt to Assessed Value	Bonded Debt per Capita
2014	21,850	\$ 1,582,702,196	\$ 6,945,000	0.44%	318
2015	22,419	1,810,093,964	6,165,000	0.38%	275
2016	22,500	1,859,799,611	6,165,000	0.38%	274
2017	22,260	1,998,945,298	5,350,000	0.27%	240
2018	22,629	2,188,261,077	4,515,000	0.21%	200
2019	22,760	2,377,391,093	3,645,000	0.15%	160
2020	23,335	2,527,560,856	2,750,000	0.11%	118
2021	24,520	2,656,003,882	22,695,000	0.85%	926
2022	24,932	2,798,399,087	22,020,000	0.79%	883
2023	25,319	3,149,586,158	21,715,000	0.69%	858



City of Benbrook, Texas

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended	Estimated Population	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate
2014	22,419	\$ 46,989	4,857	5.90%
2015	22,500	49,506	4,857	3.90%
2016	22,500	51,099	4,857	3.70%
2017	22,260	65,568	4,857	3.20%
2018	22,629	69,803	4,485	3.40%
2019	22,760	75,527	4,683	3.10%
2020	23,335	75,527	4,683	6.30%
2021	24,520	76,501	4,785	4.80%
2022	24,932	76,623	5,347	3.50%
2023	25,319	81,074	4,683	3.40%

(1) Per Capita Income provided by Benbrook Economic Development Corporation from ESRI.

(2) School enrollment provided by Benbrook Economic Development Corporation from ESRI.

(3) Unemployment rate as of September 2021 as reported by the US Bureau of Labor Statistics for the DFW area data extracted on 11/5/2021.

City of Benbrook, Texas

PRINCIPAL EMPLOYERS

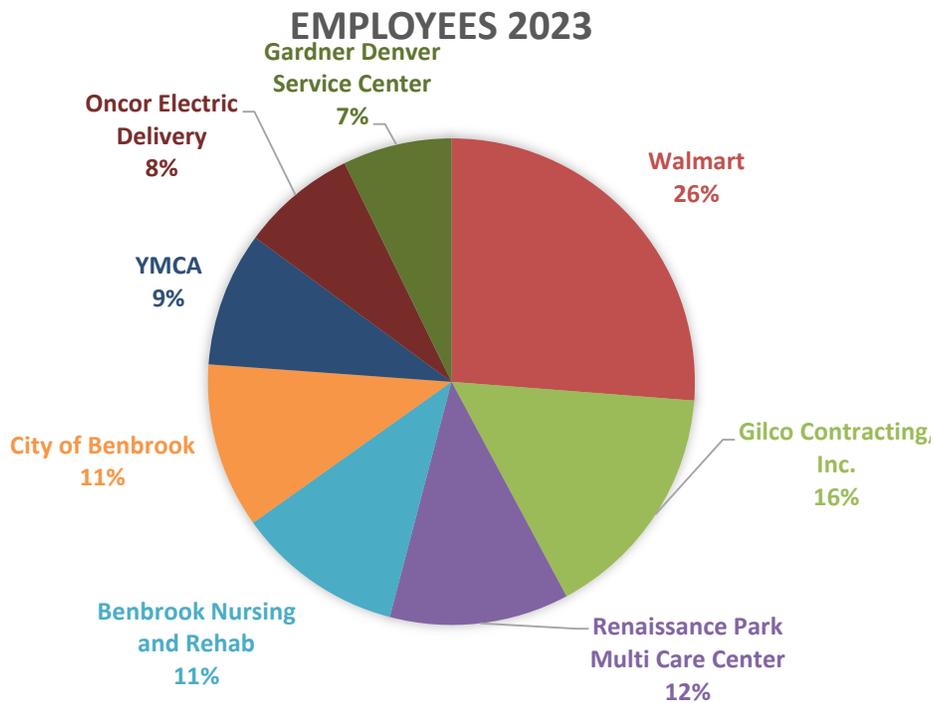
Current Year and Nine Years Ago

2023

Employer	Employees	Percent of Total City Employment
Walmart	308	4.90%
Gilco Contracting, Inc.	187	2.97%
Renaissance Park Multi Care Center	140	2.23%
Benbrook Nursing and Rehab	130	2.07%
City of Benbrook	129	2.05%
YMCA	105	1.67%
Oncor Electric Delivery	90	1.43%
Gardner Denver Service Center	85	1.35%
Total	1,174	18.68%

(1) Top 8 employers from "Benbrook in Brief 2015" provided by EDC.

(2) Total city employment provided by <http://www.texassitesearch.com/demographics.html>.



2014

Employer	Employees	Percent of Total City Employment
Weatherford International	311	6.75%
Walmart	298	6.46%
Oncor Electric Delivery	155	3.36%
Western Hills High School	150	3.25%
Benbrook Community Center/YMCA	120	2.60%
City of Benbrook	110	2.39%
Renaissance Park	110	2.39%
Q-Max of America	110	2.39%
	<u>1,364</u>	<u>29.59%</u>

City of Benbrook, Texas
LOCAL EMPLOYMENT INFORMATION
September 30, 2023
(Unaudited)

Fiscal Year Ended	Ag	Construction	Manufacturing	Transportation &		
				Storage	Wholesale	Retail
Number of Establishments						
2014	1	33	16	7	16	87
2015	1	35	16	8	19	96
2016	2	63	14	16	22	97
2017	2	63	14	16	22	97
2018	2	65	14	12	18	117
2019	6	68	14	14	17	121
2020	8	66	19	15	29	89
2021	8	62	19	15	30	89
2022	8	66	15	12	29	95
2023	9	67	14	14	25	96

Employment Levels						
2014	3	231	475	41	150	763
2015	3	341	475	42	154	782
2016	5	340	213	201	257	1,367
2017	5	340	213	201	257	1,367
2018	2	463	191	204	287	1,188
2019	11	439	127	104	263	849
2020	18	616	156	209	303	556
2021	18	621	197	143	340	600
2022	20	468	115	161	280	627
2023	265	427	373	720	230	1,390

(1) Information provided by <http://www.texassitesearch.com/demographics.html>.

	Finance,				
Services & Information	Insurance, Real Estate	Oil/Gas & Utilities	Public Admin	Totals	
334	71	10	4	579	
349	72	11	5	612	
321	128	8	7	678	
321	128	8	7	678	
346	129	5	5	713	
453	112	6	12	823	
522	121	4	8	881	
527	123	4	8	885	
488	109	4	8	834	
547	115	5	23	915	

3,264	348	339	163	5,777	
3,427	373	341	195	6,133	
2,794	384	221	214	5,996	
2,794	384	221	214	5,996	
2,849	402	204	239	6,029	
3,203	437	285	568	6,286	
3,982	431	57	216	6,544	
3,850	491	56	226	6,542	
3,385	544	57	229	5,886	
2,959	737	92	266	7,459	

City of Benbrook, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years (Unaudited)

	2014	2015	2016	2017	2018	2019
Function/Program						
General Government						
City Manager	2	2	2	2	2	2
City Secretary	3	3	3	3	3	3
Staff Services						
Finance	3	3	3	3	3	3
Information Services	1	1	1	1	2	2
Budget & Research	-	-	-	-	-	-
Public Safety						
Police	52	52	53	54	57	55
Fire	16	19	24	27	28	31
Municipal Court	2	2	2	2	2	2
Code Compliance	1	1	1	1	1	1
Public Services						
Public Services	1	1	1	1	1	1
Public Works	8	8	8	8	8	8
Parks & Recreation	8	8	8	8	8	8
Support Services	4	4	4	4	4	4
City Engineering	2	2	2	2	2	2
Community Development						
Administration	1	1	1	1	1	1
Planning Services	2	2	2	2	2	2
City Inspection	3	3	3	3	3	3
Total	109	112	118	122	127	128

Source: City of Benbrook Budget

2020	2021	2022	2023
2	2	2	2
3	3	3	3
3	3	3	3
2	2	2	2
-	-	-	-
56	56	56	56
31	31	31	31
2	2	2	2
1	1	1	1
1	1	1	1
8	8	8	8
8	8	8	8
4	4	4	4
2	2	2	2
1	1	1	1
2	2	2	2
3	3	3	3
129	129	129	129

City of Benbrook, Texas
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Function/Program	2014	2015	2016	2017	2018	2019
Police						
Stations	1	1	1	1	1	1
Licensed Officers	43	42	42	45	42	40
Police Reservist	3	2	2	2	2	2
Emergency Warning Sirens	7	7	7	7	7	7
Fire (1)						
Stations	1	1	1	1	1	1
Firefighters	38	38	24	27	27	30
Paramedics/EMT's	37	38	24	27	27	30
City Fire Support Unit Staff	17	13	6	6	3	3
Emergency Vehicles	16	16	16	16	18	18
Public Works						
Miles of Street	107	107	107	107	107	108
Number of Street Lights	1,213	1,286	1,286	1,286	1,286	1,299
Parks & Recreation						
Parks	6	6	6	7	7	7
Acreage	272	272	272	272	272	272
Playgrounds	5	5	5	5	5	5
Recreation Centers	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6
Golf Courses	2	2	2	2	2	2
Lakes	1	1	1	1	1	1

Source: City Budget

2020	2021	2022	2023
1	1	1	1
41	41	41	41
2	2	2	2
7	7	7	7
1	1	1	1
30	30	30	30
30	30	30	30
3	3	3	3
18	18	18	18
132	132	132	132
1,308	1,308	1,308	1,308
7	7	7	7
272	272	272	272
5	5	5	5
1	1	1	1
1	1	1	1
6	6	6	6
2	2	2	2
1	1	1	1



CITY OF BENBROOK, TEXAS
OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION FOR THE YEAR
ENDED SEPTEMBER 30, 2023





BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Benbrook, Texas:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Benbrook, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Benbrook, Texas's basic financial statements, and have issued our report thereon dated March 11, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Benbrook, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Benbrook, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Benbrook, Texas's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Benbrook, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, professional style.

Brooks Watson & Co., PLLC
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
March 11, 2024

City of Benbrook, Texas City of Benbrook, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2023

I. SUMMARY OF PRIOR YEAR AUDIT FINDINGS:

None.

City of Benbrook, Texas City of Benbrook, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2023

I. SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued:

The auditor's report on the basic financial statements of the City expresses an unmodified opinion.

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Is any noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

II. FINANCIAL STATEMENT FINDINGS:

None.